

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 19, 1928

Actual Value



When an insured car is destroyed the owner is indemnified for its actual value, whatever type of policy he holds. For this reason the Actual Value policy is the fairest form under which he can be insured. It says exactly what it means.

The Actual Value policy:

1. Gives full indemnity at all times.
2. Shows reduced cost in most cases.
3. Cuts down moral hazard losses.
4. Results in more satisfactory loss settlements.

The Actual Value form can be used in all but a few States. Write to the Automobile and Transportation Department for further information.

**The CONTINENTAL
INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board
PAUL L. HAID, President
CASH CAPITAL · FIFTEEN MILLION DOLLARS

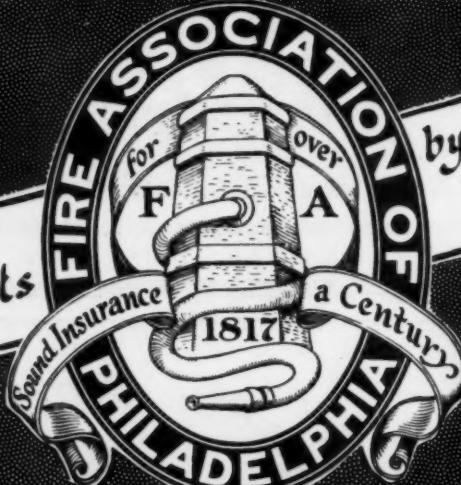
NEW YORK CHICAGO MONTREAL DALLAS SAN FRANCISCO

"The Continental Commands Confidence"

MONUMENT OF SUCCESS

J. W. Cochran
President

Showing Growth of
Fire Association Assets



by five-year Periods
for 55 Years.

Founded 1817
Capital \$3,000,000.

The Reliance

Insurance Company

Capital \$1,000,000.-

Home Office:
4th & Walnut St.
Philadelphia
Penna

Victory

Insurance Company

Capital \$1,000,000.-

Dept Offices:
Atlanta
Chicago
Dallas
San Francisco

1872	2,104,314
1877	3,796,086
1882	4,339,231
1887	4,512,782
1892	5,226,263
1897	6,127,051
1902	6,150,823
1907	7,810,675
1912	9,091,141
1917	12,216,632
1922	17,337,895
1927	\$23,360,504.-



ALMOST EVERY KIND **INSURANCE** EXCEPTING LIFE.

*Between You
~ and ~
Needless
Trouble!*

SUDDEN . . . Startling . . . the accident that has been lurking 'round the corner takes you unawares.

While you are dazed and bewildered the unpleasantness and expense that follow come to increase your troubles, ten-fold.

UNLESS ~

the insurance man who serves you has made certain that your policy covers just such an emergency.

UNLESS ~

he is "on the job," ready to fill in the breach, to keep you from unnecessary trouble.

UNLESS ~

your policy carries the name of such dependable companies as the Employers' Liability Assurance Corporation, Ltd., the American Employers' Insurance Company, or the Employers' Fire Insurance Company, comprising The Employers' Group.

When you deal with The Employers' Group you may be certain that the man who directly serves you will plan your insurance to protect you from the inconvenience of needless trouble.

*There's an Employers'
Group Representative
in Your Neighborhood*

WRITE for OUR BOOKLET
"What Is It and What of It"
THIS insurance index gives
briefly the whys and wherefores of modern insurance.
Your request will place you under no obligation—nor
will a representative call unless you so specify.



THE
EMPLOYERS'
LIABILITY ASSURANCE CORPORATION, LTD.

THE
EMPLOYERS'
FIRE INSURANCE COMPANY
AMERICAN
EMPLOYERS'
INSURANCE COMPANY

*Practically every kind of Insurance
except Life Insurance*

110 MILK STREET, BOSTON, MASS.

"The Home of the Service that Satisfies"

THE above advertisement is a facsimile of that appearing in current issues of the *Atlantic Monthly*, *Harper's Review of Reviews*, *Scribner's World's Work*, and the *Golden Book*—yes, THE EMPLOYERS' GROUP believes in the American Agency system. We believe that such advertising will benefit the insurance business. We believe that it will benefit particularly the representatives of THE EMPLOYERS' GROUP.

We are proud of the growth of our agency force. We are proud of the large number of loyal agents who have been associated with us for many, many years. At the same time we are glad to say that some agency connections are still available for the competent insurance man.

at the 45th Milestone!

FORTY-FIFTH ANNUAL STATEMENT,

JANUARY 1, 1928

CASH CAPITAL	\$ 500,000.00
RESERVE (Unearned Premium and All Other Liabilities)	3,171,911.67
NET SURPLUS	1,368,594.84

SUMMARY OF ASSETS

Loans (being first lien on real estate worth over double amount of loan)	\$ 474,450.00
Standard Bonds and Stocks	3,567,895.00
Cash on Hand and in Banks	561,101.06
Cash in Hands of Agents	393,103.71
Interest Accrued on Loans	44,754.74

Comparative Exhibit

\$5,040,506.51

Year	Assets	Reserve	Policy Holders' Surplus
1883	\$ 105,941.37	\$ 2,986.18	\$ 102,915.19
1884	116,584.91	11,159.42	105,425.49
1885	125,549.66	18,308.82	107,240.84
1886	145,082.63	25,667.54	119,415.09
1887	160,343.13	29,921.91	130,421.22
1888	189,718.87	27,896.98	151,821.89
1889	213,295.93	46,147.61	167,148.32
1890	236,254.41	47,595.31	188,659.10
1891	263,423.08	49,741.98	213,681.10
1892	283,846.21	57,732.02	226,114.19
1893	301,631.88	64,374.41	237,257.47
1894	313,409.34	68,234.63	245,174.71
1895	333,665.52	73,040.23	260,625.29
1896	351,557.02	78,859.75	272,697.27
1897	373,606.74	87,353.31	286,253.43
1898	402,682.33	99,553.29	303,129.04
1899	407,323.38	101,327.24	305,996.14
1900	421,621.68	104,969.19	316,652.49
1901	446,562.21	117,940.27	328,621.94
1902	511,081.86	158,955.34	352,126.52
1903	552,979.83	176,506.38	376,473.45
1904	601,079.65	195,461.15	405,618.50
1905	645,140.20	212,468.87	432,671.33
1906	728,209.88	268,237.85	459,972.03
1907	1,058,034.84	590,618.63	467,416.21
1908	1,093,546.87	591,521.42	502,025.45
1909	1,176,480.56	651,183.00	525,297.56
1910	1,301,521.42	768,158.20	533,363.22
1911	1,363,468.30	809,161.36	554,306.94
1912	1,474,707.49	870,561.83	604,145.66
1913	1,603,255.54	984,487.42	618,768.12
1914	1,648,409.74	1,024,371.55	624,038.19
1915	1,816,466.14	1,165,252.92	651,213.22
1916	2,009,291.54	1,295,366.59	713,924.95
1917	2,137,815.23	1,420,232.78	717,582.45
1918	2,397,202.25	1,632,115.10	765,087.15
1919	2,727,156.87	1,868,887.79	858,269.08
1920	3,077,945.50	2,098,969.12	978,976.38
1921	3,254,863.09	2,132,809.09	1,122,054.00
1922	3,507,212.00	2,207,647.17	1,209,564.83
1923	3,681,928.58	2,358,864.24	1,323,064.34
1924	4,047,145.44	2,475,170.61	1,571,974.83
1925	4,241,332.15	2,632,804.13	1,608,528.02
1926	4,615,001.50	2,906,293.96	1,708,707.54
1927	5,040,506.51	3,171,911.67	1,868,594.84

July 18, 1883.

On this day—forty-five years ago
The Dubuque Fire & Marine Insur-
ance Company began business with
an authorized capital of \$25,000.
From this extremely modest begin-
ning in the then pioneer state of
Iowa the Dubuque under the guid-
ing hands of substantial business
men has shown consistent progress.

Today the Company has a paid up
capital of five hundred thousand
dollars and a net surplus of over
one and a quarter million of dollars.

Perhaps to some of the old timers
it will seem hardly possible that 45
years have elapsed since the Dubuque
was brought into being—To others
the fact that the Dubuque is such a
time tested company may come as
something of a surprise. Yet here
we are at our forty-fifth milestone
and anxious as always to hear from
good insurance men.

DUBUQUE FIRE & MARINE

Insurance Company.
Dubuque, Iowa

The National Underwriter

Thirty-Second Year No. 29

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 19, 1928

\$4.00 Per Year, 20 Cents a Copy

BIG POOL FORMED TO WRITE AVIATION RISKS

All Classes of Fire and Casualty Coverage Will Be Taken

BEEBE HEADS NEW OFFICE

Four Important Fire and Four Outstanding Casualty Companies Already in Combination

NEW YORK, July 18.—Great impetus was given aviation insurance this week by the formation of a big pool of fire and casualty companies to enter this field aggressively, operating under the name of United States Aircraft Insurance Group. This, added to the aircraft insurance agencies now in operation, produces a wealth of competition in the field and offers a wide range of carriers to those engaged in aviation. The new group brings into the field combined capital and surplus of \$75,000,000 at the outset, with several additional companies considering entrance into the group. It is a huge undertaking and through the grouping of the companies new liberalization of underwriting is made possible. Many of the risks that individual companies have been hesitant to write through size or lack of spread can now be taken by division of the risk four ways, either in casualty or fire lines.

Write All Coverages

All classes of aviation insurance will be written by the new group: Fire, collision, windstorm, property damage, general liability, passenger liability, compensation and any other risk that may be insurable. The possibilities in the business may be judged by reference to many risks now insured, some planes carrying an aggregate liability, all coverages combined, of from \$500,000 to \$750,000, and it is not improbable that in some cases the risk might take up to \$1,000,000 individual liability. Through the aggregate of eight companies participating in the lines, the coverage would be divided among the eight or more companies and thus not expose any one company to a serious hazard.

Beebe Heads Office

The underwriting will be in the hands of the United States Aviation Underwriters, Inc. David C. Beebe, president of this company and actively in charge of the new project, is a former air service pilot and for the past eight years has been engaged in the insurance business in New York. He is thoroughly acquainted with this special branch of the business and is building up an organization of aviation specialists. The technical end of the business is under the control of Reed M. Chambers, vice-president, who was formerly commanding officer of the first

PREMIUMS FROM RAIN INSURANCE DECLINE

DEMAND FOR COVERAGE LIGHT

Large Baseball Clubs, Once Heavy Buyers of "Weather Protection," No Longer Carry It

NEW YORK, July 18.—However acceptable the wet weather that has generally prevailed throughout the east and a section of the central west during the past six weeks may have been to umbrella and rubber goods manufacturers and retailers, it has been anything but pleasant to companies writing rain insurance. Several of these companies admit that their records on the business thus far in 1928 are on the wrong side of the ledger.

There is no gainsaying that rain insurance has not proven as popular in this country as was expected would be the case when the line was introduced here several years ago despite the improvement in the policy contracts and the intelligently directed efforts of the companies to push the business. The coverage is issued now largely as an accommodation to agents rather than with the thought that it can be made profitable to the offices writing it.

Baseball Business Narrows

The larger professional baseball clubs, once liberal patrons of the protection, no longer carry it, the major part of the baseball business coming from clubs in the smaller cities.

It was thought at one time that a considerable business might be developed from retail merchants staging special sales but the optimism was not justified, and today dependence for patronage in considerable degree is placed on country fairs and kindred forms of outdoor entertainment usually held in the fall months. It may be there will be a re-awakening of interest in rain insurance, and that agents in larger numbers than has been the case thus far will advocate this form of indemnity aggressively. Meantime premiums from the business are sagging and managers fail to speak of the business with anything like their old-time enthusiasm.

pursuit group and since that time has been closely connected with commercial aviation in its rapid development.

The organization has at the outset the huge agency organization, totaling some 40,000 agents, of the eight companies in the pool and in addition will draw on brokerage and agency business nation-wide. A national organization of special agents equipped to handle this highly specialized phase of insurance will be built to create an efficient business-getting department that will put the right type of business into the head office for underwriting.

At the outset there is one definite underwriting rule established, that being that no trans-oceanic and "stunt" flights will be insurable through this office. The companies do not look on this as the sound flying that will build for stability in aviation and thus do not feel it merits the recognition of insur-

CRUM & FORSTER BUILD WESTERN HOME OFFICE

ALSO HAVE BUILT IN ATLANTA

Firm Is Erecting an Office Building at Freeport, Ill., to House Its Middle Department

NEW YORK, July 18.—In keeping with the long-sighted policy of Crum & Forster in the development and proper care of business throughout the country, a thoroughly modern structure for housing the firm's western department is in process of erection at Freeport, Ill. It is expected the building will be ready for occupancy about the first of next year. The old building having been sold, a desirable site for a new structure was secured in the residential section of Freeport. The design of the building is very similar to that of the structure Crum & Forster erected at Atlanta for the accommodation of Hines Brothers, manager for the firm in the south.

While several important companies are closing their western departments and concentrating control of the territory in the hands of the management in New York City, Crum & Forster are pursuing the contrary policy and are strengthening their division offices and affording them every possible facility for the development of their respective fields. Fred M. Gund, western manager for the Crum & Forster combination, is a stalwart figure in Freeport. The determination to erect a fine new building for his department is a tribute to his successful management as well as an evidence of faith on the part of the head office officials in the business possibilities of the central west.

The Kentucky and Tennessee fields, which heretofore have reported direct to the New York headquarters, will henceforward be under the jurisdiction of Hines Brothers of Atlanta. Oklahoma, however, will continue to report to Manager Gund at Freeport. Richard Meserole is special agent for the group in Kentucky. W. L. Egel holds a like post in Tennessee, except that W. L. Nelson & Company of Memphis will continue as general agent in Tennessee for the North River and the United States Fire. On July 1 control of the West Virginia territory was placed in the hands of the Allegheny county office recently established at Pittsburgh by Crum & Forster.

ance—even were the hazard deemed insurable. "Stunt" flying of all kinds will be in the uninsurable class, but each risk will be considered on its own merits and there are so many varieties of risks, each presenting a different aspect, that no set code of rates or rules can be presented. It is well assured that the office will have a large business, for on the opening day this week a large flood of applications was in the mail. With the rapid development of airways and passenger and commercial flying, the business will undoubtedly grow with phenomenal speed.

The companies at present cooperat-

(CONTINUED ON NEXT PAGE)

CONTINGENT PROBLEM IS SOURCE OF WORRY

Comes Up for Discussion and Review Regularly—Few Valuable Solutions Offered

GEORGIA AGENTS VIEW IT

Analyses of Able Underwriters Are Recommended to Officers of Southern State Association for Study

NEW YORK, July 18.—Compensating local agents through the medium of contingent in addition to flat or graded commissions as a means for improving fire underwriting at the source of business production continues to engage the attention of insurance men in different sections. Although the subject has been threshed out from time to time and by different bodies for years past, it still crops up as an alluring topic for review and may be expected to do so as long as the fire insurance business exists.

The Georgia Association of Insurance Agents at its annual convention recommended to the incoming officers the appointment of a committee "to investigate all phases of contingent commissions as applicable to the local agency system in Georgia so that a comprehensive report can be made at the next annual gathering. In the pursuit of its task the committee will do well to secure a copy of the address on the subject of contingent commissions by H. A. Smith, president of the National Fire, before the National Convention of Insurance Commissioners at St. Louis 12 years ago, together with the report of the National Board submitted at the same time, and the remarks offered by the late Charles F. Hildreth, ex-president of the National Association of Insurance Agents, and by the late Charles E. Sheldon, then western manager of the American of Newark.

Theory Breaks Down

Contingent commissions are fine in theory, but like so many other theories, the scheme does not appear nearly so attractive when subjected to searching analysis of its practical aspects. Many insurance commissioners were favorably inclined to the idea, believing that its general adoption would result in a distinct improvement in the loss situation of the country, and it was at their suggestion that the matter was made the subject of special consideration at the annual convention of the body in 1916.

"If," said Mr. Smith, in the course of his admirable review of the question, "contingents are to be paid at all they should be based on state results and not on the experience of a single agency. The flat and contingent combined should not exceed the present acquisition cost. The flat should be low and the difference between the flat and the

(CONTINUED ON PAGE 40)

ADVERTISING CONFERENCE PROGRAM IN PREPARATION

ADVANCE OUTLINE RELEASED

First Business Session of Washington, D. C., Convention Will Be Held Oct. 1—Able Speakers Listed

A general outline to be followed in making up the program for the annual convention of the Insurance Advertising Conference has been released by George E Crosby, secretary of the conference.

The convention will have its headquarters in the Hotel Washington, Washington, D. C. While the regular program will not start until Monday morning, Oct. 1, there will be the usual pre-convention get-together dinner Sept. 30. Chauncey S. S. Miller, advertising manager of the North British & Mercantile, has been asked to preside.

The convention proper will start with the registering of members. The first business session will be called to order by President Cifford Elvins, advertising manager of the Imperial Life of Toronto.

There will be a noon luncheon, at which Vice-President J. W. Longnecker has been asked to preside.

Group Sessions in Afternoon

On Monday afternoon the convention will break up into groups for consideration of advertising as it relates specifically to the needs of the fire, life, and casualty groups. The annual meeting of the executive committee will be held Monday evening.

Tuesday morning there will be another general session. John Hall Woods, a member of the executive committee and advertising manager of the Great Northern Life, has been asked to take charge of this meeting.

The annual dinner will be held Tuesday evening. There will be the awards of the Holcombe and "Rough Notes" trophies, notable speakers, a play written and produced by members of the conference, and possibly a dance. President Clifford Elvins will preside.

Wednesday morning will be devoted to the business of the Insurance Advertising Conference, with a business meeting, election of officers, and an organization meeting of the newly-elected executive committee. This will be followed by a farewell luncheon, presided over by the newly-elected president, at which it is planned to have a famous speaker give the delegates a message to think about on the way back to their homes.

BIG POOL FORMED TO WRITE AVIATION RISKS

(CONT'D FROM PRECEDING PAGE)

ing in this pool are the United States Fire, North River, Pacific Fire, National Union for the fire and allied lines, and the United States Fidelity & Guaranty, New Amsterdam Casualty, Maryland Casualty and New York Indemnity for the casualty lines. This brings a formidable array of companies into the aviation field and additional companies are now giving consideration to entering the pool. In addition to these companies there are those operating through the Barber & Baldwin office of New York, the Transportation group of William H. McGee & Co. and the Independence Indemnity and Independence Fire of Philadelphia. With the aggregate offerings of all these companies, aviation is being extended the hearty cooperation of insurance in its development and it may be regarded as recognition of the new stability and safety of air travel which has developed in the past year or two. The United States Aircraft Insurance Group is located at 80 John street, in New York City.

WESTCHESTER TRANSFERS SUPERVISION TO CHICAGO

THREE STATES ARE AFFECTED

Western Department Office Will in Future Handle Kentucky, Tennessee, Oklahoma Business

President Otto E. Schaefer of the Westchester has announced his intention of transferring the supervision of the business of the Westchester and its allied companies for Kentucky, Tennessee and Oklahoma from the New York office to the Chicago western department office, which is under the management of S. H. Quackenbush. Mr. Schaefer feels that with the strong and well organized department which the Westchester maintains in Chicago it will be advantageous to the companies to bring about a closer contact with both agents and fieldmen, which is possible through placing the Chicago office in charge of these states.

With the new arrangement in effect agents in Kentucky and Tennessee will report to the Chicago office, while those in Oklahoma will continue to report through the general agency of Gross R. Scruggs & Co. at Dallas, Texas. This places Mr. Quackenbush in charge of the Westchester interests in all Western Union territory.

New Company About Ready

The Fire Assurance Corporation of New Jersey of Hoboken, it is anticipated by its management, will be ready for business about Sept. 1. It will have a capital of \$200,000 and a surplus of \$300,000. Louis S. DeFour is the company's president.

CONDENSED NEWS OF THE WEEK

Four fire and four casualty companies take membership in a group that is to write aviation hazards. United States Aviation Underwriters is aviation manager.

Page 3

Companies writing rain insurance report that demand for the coverage decreases yearly despite weather conditions.

Page 3

Crum & Forster erecting an office structure at Freeport, Ill., to house the western department.

Page 3

Problem of contingent commissions is source of worry to fire company officials.

Page 3

New Jersey attorney general interprets insurance law of state to mean that recording agents are entitled to compensation for the office detail work they do for their companies.

Page 5

Agricultural of Watertown decides to organize a new fire company as a running mate.

Page 11

Neal Bassett, president of Firemen's, issues communication to company's shareholders regarding institution's growth.

Page 4

Advance outline of program of Insurance Advertising Conference convention is released.

Page 4

Three advertising experts from outside the insurance business will judge entries and make awards at Insurance Advertising Conference convention.

Page 5

Ervin J. Dickey of Atlanta, general agent of the Agricultural, has been made vice-president and will go to the home office.

Page 10

Collision presents largest problem to fire companies writing automobile business.

Page 5

Union Indemnity of New Orleans purchases control of the Bankers & Merchants Fire of Jackson, Miss.

Page 25

Chairman of Gresham Fire & Accident of London explains failure of Dominion Gresham Guarantee & Casualty of Montreal.

Page 30

NEW CHIEF EXECUTIVE IS CHOSEN AT MEETING

WORTHLEY HEADS EXCHANGE

Special Agent of Queen Is Elected to Fill Unexpired Term as President of New England Body

BOSTON, July 18.—Harry R. Worthley, special agent of the Queen, has been appointed president of the New England Insurance Exchange. He will fill the unexpired term of Malcolm G. Wight, who has resigned to go to the Hartford Fire home office as general adjuster. Mr. Worthley's term will expire in January, 1929.

J. D. Smart, Massachusetts special agent of the New Hampshire Fire, has been appointed vice-president of the exchange to succeed Mr. Worthley. The following special agents were elected to membership: M. H. Tilley, eastern and northern New Hampshire and eastern Vermont special agent of the New Hampshire; E. W. Hill, southern New Hampshire and southern Vermont special agent of the New Hampshire; J. McB. Robinson, northern New Hampshire and northern Vermont special agent of the New Hampshire. Mr. Wight and J. T. Horan, who has resigned from the executive committee to take a position in the home office of the America Fore group, were elected to honorary membership in the Exchange. W. A. Quigley has been appointed chairman of the supervising committee of the improved risks department of the Exchange.

The Western Millers Mutual Fire of Kansas City has been licensed in Massachusetts.

NEAL BASSETT TELLS GROWTH OF FIREMEN'S CAPITAL INCREASES STEADILY

President of Company Issues Communication to Shareholders Regarding Rise and New Stock Issue

NEW YORK, July 18.—In an extended communication addressed to shareholders of the Firemen's of Newark, under recent date, Neal Bassett, president of the company, reviewed the remarkable growth of the organization since 1916, when the policy of gaining stock control of other fire underwriting corporations was determined on, noting the increases of the Firemen's capital from time to time in order to carry out such policy.

The capital advances have been as here shown:

Feb. 7, 1926, increased from \$1,000,000 to \$2,000,000.
Nov. 6, 1922, increased from \$2,000,000 to \$5,000,000.
May 28, 1926, increased from \$5,000,000 to \$7,500,000.
March 5, 1928, increased from \$7,500,000 to \$9,000,000.
March 21, 1928, increased from \$9,000,000 to \$11,287,700.

On March 26 the directors recommended, and on April 16 succeeding the stockholders approved increasing the authorized capital to \$15,000,000.

Companies in Group

Affiliated with the Firemen's and under its management are these fire companies: Girard Fire & Marine, Philadelphia; Mechanics, Philadelphia; National Ben Franklin, Pittsburgh; Superior Fire, Pittsburgh, and the Concordia, Milwaukee. The Firemen's also controls the Metropolitan Casualty of New York, though the management of this company remains in the hands of its old officers. The Firemen's, Mr. Bassett states, "has never passed a dividend nor has it ever reduced its regular rate of dividend, once established, except when it concurrently declared a stock dividend. There is every reason to believe that it can and will continue its present rate on the increased capital shortly to be issued."

Plan for New Stock

In conformity with the decision reached by directors of the Firemen's at their meeting on July 9, "there will be issued and offered to stockholders on record at the close of business on that day 222,575 shares of stock of a par value of \$10 each, at the subscription price of \$40 a share. This gives each such stockholder the right to subscribe for one new share for each five shares recorded in his name at the close of business July 9, 1928, and (as the company does not issue fractional shares) in case he does not own as much as five shares or a multiple of five shares, gives him a valuable fractional interest which, in connection with other fractional interests (if he acquires them), aggregating a share or a multiple thereof, can be used in subscribing for full shares of stock, or can be used for sale on the market. Formal notice is being sent you of this action. Also it is proper to advise you that a special meeting of stockholders will be formally called to pass on a recommendation of the board of directors that agents of the Firemen's and its affiliated companies be given opportunity to subscribe to 14,547 shares of the stock of the company, equivalent to 0.2123 percent of the present outstanding stock."

Purchasers of the new stock, which will be issued as of Oct. 9, 1928, have the option of paying for it in full on or before Aug. 15, next, or of paying \$20 per share by Aug. 15 and the balance on or before Sept. 15.

ECONOMIST ANALYZES CROP INSURANCE NEEDS

V. N. Valgren of United States Department of Agriculture Makes Survey of One Farm Problem

TWO BIG HAZARDS SEEN

Farmers Are in Part to Blame for Failure of Insurers to Offer Them Full Protection

According to a statement recently issued by V. N. Valgren, agricultural economist in the Bureau of Agricultural Economics of the United States Department of Agriculture, crop insurance against hazards other than hail is one of the major needs of the American farmer. The insurance carriers have not made available to the farmer coverage against such hazards as drought, excessive moisture, floods, frost, excessive heat, deficient heat, plant disease and insect pests, largely for the reason that the difficulties of writing and adjusting such lines are considered effective preventives of profit on such business. In part Mr. Valgren's statement is as follows:

"Two distinct hazards confront the producers of every important farm crop. One of these is a production hazard, or the danger of serious damage to crops during the growing stages, and the other the marketing hazard, or danger of oversupply of crops with resulting inadequate price. The marketing hazard affects the entire group of farmers producing a given kind of crop. It can be dealt with only by concerted action of all or a substantial part of such a group."

Hazards Vary

"The danger of crop damage, on the other hand, is more largely an individual problem. Climatic and other hazards are largely beyond control of either the individual or the group engaged in the production of a given crop. The total yield of a crop varies from year to year, but the volume is relatively constant compared with the yield on a given farm. The latter may vary from a bumper crop to a total failure."

Mr. Valgren details the unsuccessful attempt of three companies to write complete insurance against crop damage in the Dakotas and Montana and of two companies to develop this field of insurance nationally. "In each case," he says, "the results proved highly disconcerting to the companies concerned."

Farmers Blamed

Mr. Valgren says that the reason for the lack of protection against all hazards probably lies in part with the farmers themselves, since in many cases they either underestimate the hazards to their crops or prefer to take chances rather than pay the cost of insurance protection. He says the contention of certain insurance men that farmers will not readily buy insurance on their crops is undoubtedly correct.

"What the farmer really needs," the report continues, "in the way of crop insurance is protection against serious crop damage from any and all hazards beyond his control. It would, no doubt, be impracticable, as well as economically undesirable, to insure a full or normal yield, since this would in certain cases invite a bad moral hazard. Two-thirds, or at least three-fourths of a normal yield for the farm in question is perhaps all that can wisely be insured."

Mr. Valgren criticizes the present hail policy, saying that it covers only one

ADVERTISING EXPERTS TO AWARD TROPHIES

CONFERENCE PLANS GIVEN

Three Experts to Judge Entries and Present Prizes at Insurance Publicity Men's Convention

C. K. Woodbridge, president of the International Advertising Association and president of the Electrical Refrigeration Corporation of Detroit; Homer J. Buckley, of Buckley, Dement & Co., Chicago, president of the Direct Mail Advertising Association, and William A. Hart, president of the Association of National Advertisers, who is also advertising director of E. I. du Pont de Nemours & Co., Wilmington, Del., have consented to serve as a jury of award in the annual advertising contests of the Insurance Advertising Conference, according to an announcement by Vice-President J. W. Longnecker, acting for President Clifford Elvins, and Secretary George E. Crosby.

The first award is the Holcombe Trophy, a silver cup put up several years ago by the Phoenix Mutual Life as an award for "the most meritorious, successful and skillful achievement in insurance advertising and activity from among the exhibits submitted." This trophy was put into competition at the St. Louis convention. It was first won by the Metropolitan Life in 1924. In 1925, at Boston, the Hartford Fire received it, and in 1926 at Detroit the Hartford won it a second time, losing it to the Prudential at Chicago in October, 1927. To become the permanent property of a company the trophy must be won three times, not necessarily in succession.

The second contest is the one known as the "Rough Notes" trophy, which is awarded absolutely each year for the best series of display advertisements published in an insurance paper during the previous year.

"Rough Notes" Award Inclusive

The "Rough Notes" award carries with it several trophies. A bronze plaque is awarded to the company entering the winning series of advertisements, and a gold miniature for the man in charge of the advertising so winning. There is a silver miniature for the second best and a bronze miniature for the third. Honorable mention is also allowed under the rules, if the judges wish to give such mention to work that did not win but warranted special mention.

This year the trophy committee, headed by Leon A. Soper of the Phoenix Mutual Life, has worked out several new features in connection with the handling of the contest and awards.

For the first time the same jury of award will judge the exhibits and make both awards. This jury, again for the first time, is composed of the heads of three most prominent advertising associations, which gives the conference judges skilled in advertising, yet in no way connected with the insurance business or the publication of an insurance paper, and it is the intention of the trophies committee to turn to these same organizations in the future, unless an insurance man should some day hold the position of president of one of them.

out of several hazards against which the crop produces the protection and that against this one hazard gives a degree of protection not actually needed by the farmers and, therefore, is unduly costly.

"If indemnity were limited to cases where hail had brought the crop materially below a normal yield, the cost of such insurance could be greatly reduced," he says. In closing he says:

"Until such insurance is available for farmers, they will be obliged to carry

COLLISION IS LARGEST CURRENT AUTO PROBLEM

LOSS RATIO IS MOUNTING

Fire and Theft Business Is Gradually Showing Improvement, but Crash Hazard Becomes Greater

Fire companies writing the automobile lines report that though the used car presents a serious problem to the automobile industry and the automobile finance business, it presents to the insurers not nearly so large a problem as collision presents. In the main the user of a second hand car does not buy fire and theft insurance, for the reason that his investment is so small he concludes he can better carry the fire and theft risk himself than pay the cost of having an insurance company carry it. This kind of car owner also seldom carries collision insurance. He is not the one who gives the trouble. Owners of such low-priced cars as the Ford, the Chevrolet, the Star, the Whippet and whatever others are in the same price class also are largely self-insurers.

But when the price of a new car is more than \$1,000 or \$1,200 the owner becomes seriously concerned about insurance, and usually buys fire, theft and collision. It is the experience of most of the companies that the collision loss ratio is highest among owners of cars bought new and valued at from \$1,000 to \$3,000. A large portion of the total of cars costing more than \$3,000—and many cars worth less than this—are chauffeur driven and therefore are for the most part carefully driven. This class produces comparatively few of the collision losses, and further, owners of cars worth so much can be interested in \$50 or \$100 deductible collision insurance, whereas the owner of a lower priced car usually wants full cover.

Inherent Fire Hazard Gone

Inherent fire hazards have to a large degree been eliminated from the modern automobile, and according to most police and theft bureau statistics recoveries are increasing more rapidly than are thefts in a number of localities, indicating improved police methods in these localities. Collision therefore remains the big problem, and few are the solutions offered. One large item in the total of items making up the problem is how to induce owners to buy deductible collision. Many automobile underwriters readily admit that a man who owns a \$1,000 car will have to smash the car badly if it is not possible for him to bring it back to its original condition for an expenditure of \$100 or less. And if his car is in the lowest price class \$50 worth of damage represents a badly injured car. For these owners there remain full cover or self-insurance. If full cover is bought the companies almost invariably lose. And if the owner carries his own insurance the companies lose anyway.

Another alteration in the automobile situation that at first was expected to cause local agents and companies some premium losses results from the organization of a finance company by the Ford interests and from the Chrysler-Dodge merger. Neither deal is now as seriously viewed as it was a few weeks ago, and losses of business are not now expected. First, not all the cars sold by any automobile maker who has organized a finance company is financed through that company; and second, local agents can make up in any one year the presumed losses of the preceding year by writing the second-year business on the better cars.

individually risks which relatively few among them are in position to bear. Will farmers safeguard themselves by

(CONTINUED ON NEXT PAGE)

ATTORNEY GENERAL INTERPRETS STATUTE

New Jersey Legal Representative Says Recording Agents Should Be Paid for Office Work

FORMAL OPINION GIVEN

Any Other Plan, He Says, Would Result in Discrimination Favoring Non-Policy-Writing Agent

NEW YORK, July 18.—Attorney-General Edward L. Katzenbach of New Jersey in a formal opinion given the state department of banking and insurance under date of July 13, defines the status of recording and of non-policy-writing agents in the state in so far as compensation for their services to the fire business is concerned, in the following language:

"You call my attention to that part of Section 1, Chapter 128, of the laws of 1928, being an act amendatory of a supplement to the Insurance Act, which supplement is known as Chapter 85 of the Laws of 1913.

Agents in Two Classes

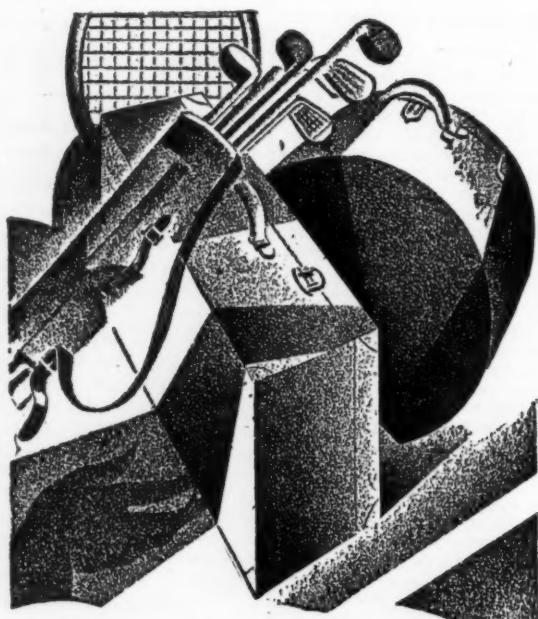
"You state that it has been the custom for many years of some companies to maintain two classes of commissioned agents, the first designated as recording agents, who maintain a complete insurance office, write and sign the policies which they issue, render monthly accounts current, and keep registers or abstracts of all business transacted; and a second class called non-policy-writing agents, who do not write their policies, render no monthly accounts, and do not keep abstracts or records of the business transacted.

"You desire to be advised whether a company which continues to maintain agencies of both classes in this state, and pays the same commission compensation to agents of both classes, would violate the law. The design of the act was to prohibit a company from allowing any commission or compensation to one agent in excess of that paid to another agent on like classes of risks.

States His Conclusion

"A hearing was conducted in this department, and a number of agents and representatives of insurance companies appeared. Mr. Siracusa, a member of the bar of Atlantic county, also presented his views as to the proper interpretation of the statute. The matter has received most careful consideration, and the conclusion which I have reached is as follows:

"Where an agent actually writes a policy and thus relieves the home or branch office of the necessity, the company should pay such agent the actual cost which the home or branch office would have incurred in doing the work, and add such cost to the commission, for such added sum could not be considered as part of the commission. It represents no part thereof. It is in fact paying for work done. The policy is that of the company. It is issued by an authorized officer of the company under its corporate seal. It is in fact not a policy until it has been written and executed. It cannot be said that when a company writes a policy and sends the same to an agent within this state for the purpose of countersignature, that it is rendering him something of value, because, as indicated, the policy must be issued by the company, and until it is fully completed it is not a policy at all. In the first instance, where the agent writes the policy it must be conceded that an expense of some kind has been incurred in doing the work. As



Remove the Shadows

INVISIBLE shadows hover over every vacation trip. Its joys can be clouded at any moment by the annoying loss of personal belongings. The danger is present from the moment the vacationist steps out of his door.

Our agents are getting closer to their clients and closer to prospective clients by concentrating now on the protection offered by Personal Effects Insurance. They are making a surprising summer sales record by removing the shadow of loss by theft, fire, and the hazards of transportation.

How? By showing that Personal Effects policies are good *all year round*, anyplace away from home. By proving that day for day, this is the most reasonable, as well as one of the most essential forms of insurance obtainable.

Agents are invited to write for Selling Points and Outline of the Personal Effects Policy.

STAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Western Dept.
CHICAGO

Pacific Coast Dept.
SAN FRANCISCO

THE COMPANY WITH THE L. & L. & G. SERVICE

the commission is required to be uniform, unless he is compensated for this work, it would result in an unfair discrimination between such agent and a non-policy-writing agent."

SITUATION FURTHER COMPLICATED

The opinion of the attorney-general quoted above, so far from measurably clarifying the complicated New Jersey situation, as was expected would be the case when the moot point of the commission law was submitted for official review, has apparently still further involved the general proposition, and company managers are not a little upset in consequence. What action will be taken in the matter by the Eastern Underwriters Association at its general meeting July 19 remains to be seen. At this writing several members of the organization strongly favor granting non-policy-writing agents 5 percent less than the scale allowed recording agents justifying the action as being in accord with the fitness of things and by established practice the country over.

When the recommendation that the non-policy-writing agents be given a commission of 5 percent less than that allowed the recording agents in New Jersey was offered in association circles some weeks ago, the question was raised whether such procedure would be in strict accord with the uniform commission amendment to the rating act of the state.

ATTORNEY-GENERAL'S OPINION ASKED

It was on this issue that the matter was referred by the companies to the department of banking and insurance of New Jersey. The commissioner in turn referred it to Attorney-General Katzenbach for official opinion. The law officer seems clearly to hold that a distinction exists between policy-writing and non-policy-writing agents, thereby supporting the contention of company executives. The attorney-general, however, while recognizing that the service performed by the agent who writes his policies and keeps a complete record of his business, differs from the status of the non-policy-writer, complicating the matter by holding that the "company should pay such agent the actual cost which the home or branch office would have incurred in doing the work, and add such cost to the commission. It represents no part thereof, for such added sum could not be considered as part of the commission. It is in fact paying for work done."

This statement is sorely puzzling to company heads, who are at a loss as to its interpretation. So long as the fire insurance business has been conducted in this country, commissions to recording agents have been paid on the assumption that they compensated for all service performed by the local representatives, solicitation of risks, surveying, writing and delivery of policies, collecting premiums and maintaining a complete record of the transaction for the information of companies. There has been no suggestion that the various activities of the agent be segregated, and a scale of values placed on each. Companies that transact business country-wide figure that the average cost of issuing a policy, putting it through the books, tabulating the necessary reserves for reinsurance, taxation and other purposes, is \$3. Obviously it could not allow any such figure to its local representatives, for the latter do not have to perform a great deal of work required of a company.

NON-RECORDERS HELD BROKERS

Non-recording agents, in the opinion of many company executives, are nothing more than brokers, and should not be classed as agents. They have no such authority, as have commissioned representatives, nor are they subjected to the expense entailed upon recording agents. Based upon this theory some managers contend that non-recording agents should be eliminated from all further consideration as such, and

Grandfather De Luxe

Thomas E. Gallagher, formerly western manager of the Aetna and now devoting all his attention to the organization which he founded, the Cook County Association of Conglomerated & Concatenated Grandfathers, has sat for an oil painting since the advent of



Thomas E. Gallagher
and his
Great Grand Children

his new great-grandson. Mr. Gallagher already had a great-granddaughter, and now has one of a kind. An artist was imported from Cork, Ireland, Terence O'Rourke, to make the painting. The original hangs in Mr. Gallagher's rooms in the Union League Club at Chicago. The accompanying cut is a faithful reproduction of the original oil painting.

New Insurance Directory

The new insurance directory of Delaware, District of Columbia and Maryland issued by THE NATIONAL UNDERWRITER is off the press and distributed to subscribers. It is a handy reference book of insurance offices of the two states and the District. It gives full information as to companies. Each city and town has the agents listed and the companies they represent. There is a digest of the insurance laws of Maryland, Delaware and the District of Columbia.

General Agents' Next Meeting

The Association of Fire Insurance General Agents will hold its 1929 meeting in Denver, probably some time in June. Henry Cobb Stebbins of Cobb, Miller & Stebbins, who is chairman of the executive committee, is located in Denver.

ECONOMIST ANALYZES CROP INSURANCE NEEDS

(CONT'D FROM PRECEDING PAGE)

insurance if given a fair opportunity? Indications are that they will do so, but that considerable effort on the part of leaders in agricultural circles will be necessary to stimulate a general demand for sound and conservative protection and equitable prices in which indemnities are limited to severe cases of crop damage, without any more frequent minor indemnities, such as are at present expected and paid."

should be treated purely as brokers, simplifying considerably thereby their treatment by the companies.

Now that the opinion has been received from the attorney-general of New Jersey, company officials are wondering what it is all about, and whether the business in the state is drifting.

Early decision on the dispute over New Jersey commissions is expected by J. H. Doyle, general counsel of the National Board, as the test case which he is now preparing and which he plans to file about Sept. 1 is a controversy of law only, the facts being without dispute. Mr. Doyle has practically finished arrangements for the test case.



"Pipes and chimneys" repaired by agents

THIS Company," says an old Agricultural Manual, "will cheerfully pay for a coil of wire that any agent will carry with him to secure and fix up such pipes as he sees need it in any house insured by the company."

Such a statement makes humorous reading today. Yet when the offer was in effect, the action was an honest effort to make our service more valuable.

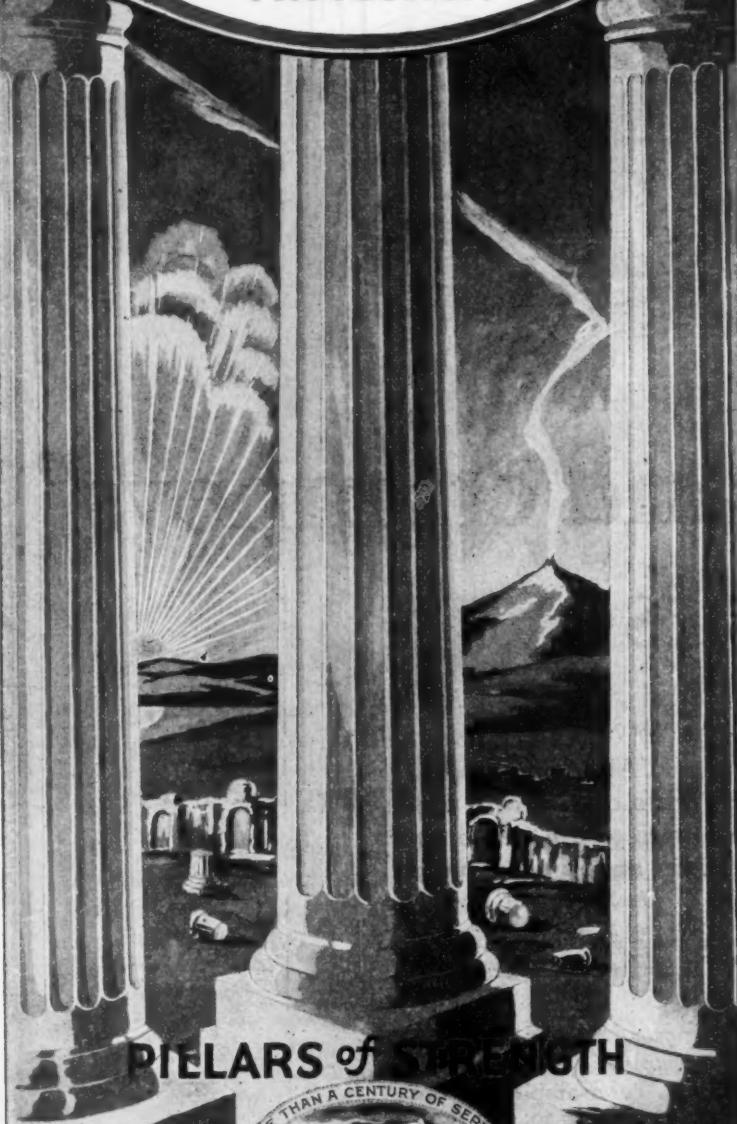
Naturally agents today would never be asked to carry a coil of wire to repair a client's stove pipe. Yet we are constantly doing more important things. For example, by close scrutiny of a prospect's property six months ago, one Agricultural field man was able to make a simple suggestion which resulted in a substantial reduction in rate. He merely recommended filling in two defective and unused chimneys.

The Agricultural's fundamental desire to be of real service is no different today from what it was three-quarters of a century ago. We are always anxious to cooperate with our agents that they may serve their clients better.



THE AETNA FIRE GROUP

Three Strong Companies
Providing Dependable Insurance
in FIRE and ALLIED LINES
and in CASUALTY and SURETY
PROTECTION



CORROON & REYNOLDS NEW APPOINTMENTS

STAFF LINEUP IS COMPLETED

H. J. Thomsen Made General Agent of Eastern Department—Herring Heads Auto Division

NEW YORK, July 18.—Appointment of H. J. Thomsen as general agent of the eastern department and Clay M. Herring, Jr., as general agent of the automobile department is announced by Corroon & Reynolds. These additions complete the underwriting staff of this organization for the time being. Vice-President E. S. Inglis is underwriting manager in charge of all territory outside of New York City, R. R. Wilde is general agent in western territory and R. J. Kastner is general agent of the southern department. The automobile department is new and the organization of it will be completed by Mr. Herring.

Thomsen Has Broad Experience

Mr. Thomsen has had a broad experience, both in the field and in company ranks. He started in the New York office of the North British in 1905, working in the accounts, loss and underwriting departments. He was appointed Texas state agent for that company in 1913 and in 1921 was taken back to New York as assistant general adjuster. In 1922 he was elected secretary of the company and in the latter part of that year resigned to join the Crum & Foster organization as assistant secretary in charge of a large territory. In 1928 he withdrew from company work to go into the local agency field, but found his former field more attractive, so that he returns to the company ranks as eastern general agent for the Corroon and Reynolds group.

C. M. Herring's Career

Clay M. Herring, Jr., who heads the new automobile department, is a native of Virginia and his early business was with the London & Scottish, when that company entered the automobile business. Mr. Herring was placed in charge of the Underwriting under W. G. Moses. Later he went with the America Fore group as assistant to Mr. Fiand, manager of the automobile department, and remained there until 1926, when he became assistant to H. A. Grant in charge of the automobile department of the National Liberty group. Mr. Herring is well versed with automobile underwriting and is familiar with the field.

Strong Supervisory Staff

R. R. Wilde, who is western general agent, is also a former North British man and goes to the Corroon & Reynolds group from the Royal Exchange group. R. J. Kastner, the new southern general agent and an assistant secretary, was assistant to Mr. Cosgrove when the latter was in the New York office. Mr. Kastner has had long experience both in the office and the field and has traveled the southern territory. This organization, with Vice-President Inglis at the head as underwriting manager, is now equipped to plant and cultivate agency connections throughout the country and the field force is being augmented from time to time by the addition of experienced, trained men.

Reig in Ohio Field

Otto F. Reig has been appointed special agent for the National Liberty in Ohio, to assist State Agent Edward A. Winter. Mr. Reig will travel southern Ohio and will probably make his headquarters in Cincinnati. He was previously an examiner for the western department of the company at the home office.

VIOCID ATTACK ON FIRE BUSINESS BY NEW LLO'DS

HITS SHARPLY AT AGENCIES

"Drain on Business Body of the Country," Says Brochure—New Promotion at Chicago

Linus Long, formerly one of the three managers of the Chicago Lloyds, is back in the game with a new enterprise, called the United States General Underwriters, Inc., managers for American Preferred Risk Fire Underwriters and American Preferred Risk Casualty Underwriters. The Chicago Lloyds was one of the most profitable promotions ever effected in Chicago. The original organizers were B. N. Anderson, Robert E. Kenyon and Linus H. Long.

Manages Patriotic Association

Some time ago the interest of Messrs. Anderson and Long was acquired by Mr. Kenyon and associates. It was stated at the time that the retiring partners received \$100,000 each. Mr. Long then became manager of the great William Hale Thompson patriotic association, the America First Foundation, in which memberships were sold, or offered for sale, at \$10 each. The spring election in Chicago did not put William Hale Thompson first and possibly America is no longer worth saving. At any rate Mr. Long seems at liberty to devote his attention to a private enterprise, although clinging to patriotic names.

Hits at National Board

A brochure called "Wandering in Insurance Wonderland" has been put out with the imprint of the United States General Underwriters, Inc. The brochure contains a reprint, by permission, from an article in the July 30, 1927, issue of the "Magazine of Wall Street," together with a list in big display of fire insurance companies with unbroken dividend records. The article starts out, "Fire insurance is practically as inevitable and as compulsory as taxation." The record of the National Board is described as a "confession of 61 years of continuous failure."

Agency Called Drain on Business

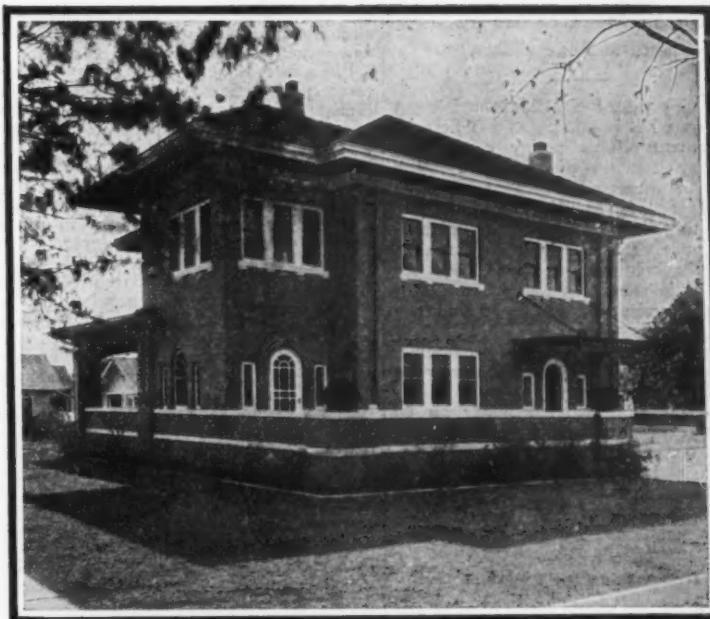
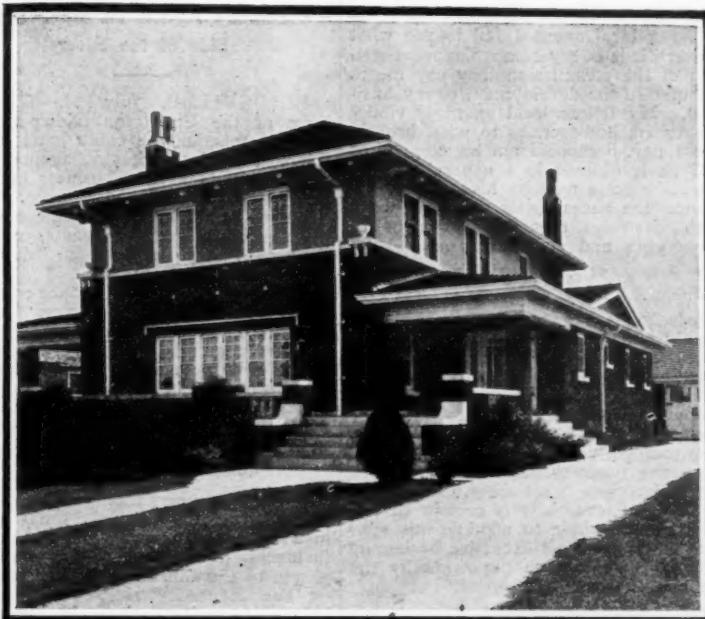
Regarding fire insurance agencies, the following is said: "The fire insurance agency has become with time an accepted, unquestioned and unquestionable, almost sacrosanct, drain on the business body of the country." It is said that over a period of 28 years the premiums of the fire companies have lacked seven-tenths of 1 percent of equalling the losses and expenses, the profits of the companies being made up on the investment side. This is a rather peculiar showing in a brochure evidently intended to help sell underwritings, as in a Lloyds organization there is only an underwriting profit, the financial management of each underwriter's deposit being in his own hands.

Attack on Rates

Nevertheless an attack on fire insurance rates is made, it being asserted that Massachusetts pays too much in fire insurance premiums, while some of the western states do not pay enough. The records of certain companies are quoted, showing the profit that has resulted to the original stockholders from skilled management.

Whitaker Goes to California

E. G. Whitaker of Chicago, western automobile superintendent of the Queen, left early in the week for California, where he will spend his vacation. On the return journey he will make some stops in North Dakota in connection with the automobile business of his company.



Performance Guaranteed

A Contract Bond does more than guarantee the completion of a construction project; it also assures the owner that the work will be completed free of liens and in accordance with the terms and specifications of the contract.

For Example:

Consider the two houses shown above. The contract price for the one at the left was \$16,243.40; for the one at the right, \$13,442.50. According to his reputation and experience, the contractor to whom these jobs were awarded was apparently capable of performing the work. Nevertheless, before the houses were completed he became financially involved and defaulted under both contracts.

Fortunately, each owner had required the contractor to furnish a Contract Bond. Under the performance feature of its bond on the first house, the F&D paid a loss of \$4,105, and, in addition, paid approximately \$4,300 to discharge liens which had been filed against the property. On the second house, the Company's total loss was in the neighborhood of \$7,000.

Owners Save \$14,960

It cost these owners approximately \$240 and \$200, respectively, to obtain the F&D's guarantee that they would get the houses they wanted, when they wanted them, and at the prices they had agreed to pay. One

doesn't have to be an expert mathematician to figure that the first owner saved \$8,160 by reason of his foresight in having required a Contract Bond, and the second, \$6,800.

The F&D's files are replete with cases similar to these, each of which proves conclusively that an F&D Contract Bond is an investment in safety and satisfaction, not just an "extra expense."

FIDELITY AND DEPOSIT COMPANY OF MARYLAND *Baltimore*

FIDELITY AND SURETY BONDS

The surety agent who will consistently devote part of his time to the solicitation of bonds covering private contract work, will find that this field will yield him unusually worthwhile returns. To those wishing to know more about this interesting subject, the F&D will gladly send a pamphlet containing valuable development suggestions. Address your request to the Production Department.

BURGLARY AND PLATE GLASS INSURANCE

WRITES POLICY COVERING DEFICIENCY ON STOCKS

NO SHORT RATE IS CHARGED

Monthly Statements of Values and Specific Insurance Are Averaged to Fix Premium

The General of Seattle is writing a policy on what is known as a deficiency endorsement. This policy covers the deficiency between the recovery under specific insurance and the amount of the loss. It covers whether the deficiency is due to the operation of the coinsurance clause or to the lack of insurance where the coinsurance clause does not apply, as in case of a loss in excess of the sum required under the coinsurance provision.

On a department store, for example, the normal value of the stock may be \$200,000, with \$160,000 of specific insurance normally carried under an 80 percent clause. If the stock goes up to \$250,000, the assured needs more insurance, and when the stock runs down he will have to cancel at short rate. On a \$200,000 department store the deficiency endorsement would probably be written for \$100,000.

Determining the Premium

The premium would be figured at the regular published rate, with provision for a refund if the average amount of insurance ran below \$100,000. The assured reports once a month on the value of his stock and the amount of specific insurance. The difference represents the liability under the deficiency endorsement. The reports for the twelve months are averaged and the published rate is applied to the average deficiency to determine the earned premium.

The operation of the clause is as follows: Suppose the specific insurance is \$160,000 and value of stock \$250,000. The specific insurance is short 20 per cent under the coinsurance clause. On a loss of \$50,000 the specific insurance would pay \$40,000 and the deficiency policy \$10,000. If the stock was \$250,000 and the insurance \$160,000, if a total loss occurred the deficiency policy would pay \$90,000.

Avoids Short Rates

The effect of the deficiency endorsement policy is to give the assured 100 per cent insurance all the time, without the danger of forgetting to add insurance when the stock goes up and without the expense of short rate cancellations or of carrying needless insurance when the stock goes down. The assured simply has 100 per cent insurance for 100 per cent of the rate on the amount required to give him full protection at all times.

Apparently department stores in the middle west are being solicited on this coverage.

FT. SCOTT COMPANIES OPEN BRANCH OFFICE

KANSAS CITY, MO., July 18.—The Western Fire, the Western Automobile Casualty and the Western Automobile of Ft. Scott, Kan., have opened a branch office in the Federal Reserve Building in this city. The branch will be operated in close connection with the home office and is established for the purpose of giving better service to the territory tributary to Kansas City, according to Rav B. Duboc, president.

Robert H. Hall will be general agent here. Mr. Duboc will also have an office here and will spend considerable time in Kansas City. Mr. Hall has been state agent in Iowa for the company for the past several years. Will J. Beggs, vice-president of the Western Fire, will also spend considerable time in Kansas City.

NAGHTEN DECLARES THAT THE AGENTS SHOULD DECIDE BROKERAGE TERMS

James I. Naghten, Chicago local agent, writes to the New York "Journal of Commerce" declaring companies should not interfere with the brokerage issue. He says:

"I have read with a great deal of interest your article on the subject of the division of the commission paid by the companies to their agents. You say that the question of brokerage cannot be dealt with locally except at the risk of serious trouble." You also say 'it cannot be left entirely to the agents and brokers for settlement as the interests of the companies are too greatly involved.'

"I cannot, I am afraid, agree with your viewpoint. I cannot see wherein the company should be concerned with what becomes of the agent's commission. In the old days before the local boards found it necessary to control the brokerage question agents in the large cities paid brokerage in competition with one another until, for self-protection, they were obliged to pass rules limiting the amount of such payments. In all large cities the local boards have legislated definitely on this question. Where such rules are enforced there is no difficulty in conducting the business of insurance in a satisfactory manner. The troubles of a local agent multiply whenever com-

pany organizations legislate on the question of what brokerage is to be paid to producers by the local agents.

"As a local agent I fail to see what concern it is of my companies what portion of the commission they pay me to disburse in the development of my business. My fellow local agent is vitally concerned, however, as to what brokerage I pay, because I am his competitor and he is obliged in a general way to meet the scale paid by his competitors. Hence, the necessity of the local board with its rules regarding payment of brokerages and commissions.

Effect of Company Influence

"Wherever you find a local board whose rules regarding brokerage are openly violated you find the companies paying excessive commissions and the local agents doing business on a slim margin of profit. This condition usually follows where the companies' influence becomes important in local board affairs. The problem of the local agent in these expensive times to make a decent profit on his business is seriously handicapped by this influence. It is certain that if he were left alone to manage this vital part of his business excessive brokerage and wild commission payments by the companies would disappear."

HALF YEAR FIGURES ON SAN FRANCISCO PREMIUMS

SAN FRANCISCO, July 8.—Figures on San Francisco city fire premiums for the first six months of this year indicate that the Home of New York with \$118,184 continues to lead, with the Liverpool & London & Globe again in second place with premiums of \$105,545. When compared with the same period of last year it is found that the seven leading companies for 1928 maintain the same position, as follows: Aetna, third, with \$104,514; Fireman's Fund fourth, \$102,695; United States Fire fifth, \$95,159; North America sixth, \$71,148; Continental seventh, \$69,125. Eighth place, which was held by the National Union last year, is now occupied by the Royal, with \$56,905, jumping from 18th place in 1927, with premiums of \$47,844.

Of the 24 leading companies for the first six months of this year, only eight in addition to the Royal show gains over the same period of 1927, as follows: Niagara 10th, \$54,098, against \$50,013; Globe & Rutgers 11th, \$53,113, against \$41,147; Millers National 13th, \$49,716, against \$49,095; Hartford 15th, \$49,003, against \$46,222; Merchants Fire Assurance 16th, \$48,379, against \$35,779; Norwich Union 17th, \$46,041, against \$44,695; Dubuque 18th, \$45,352, against \$30,974; Fidelity-Phenix 19th, \$43,301, against \$35,313. Of these nine companies six are members of the Pacific Board. The remaining leaders, with the positions they hold, are: Fire Association ninth, \$56,883; North British 12th, \$50,952; London Assurance 14th, \$49,301; California 20th, \$43,023; New Zealand 21st, \$42,352; Northern Assurance 22d, \$41,855; National Union 23d, \$41,439; London & Lancashire 24th, \$41,032.

DICKEY VICE-PRESIDENT OF THE AGRICULTURAL

Erwin J. Dickey of Atlanta has been elected a director and vice-president of the Agricultural. He has been general agent for the past 13 years having supervision over Georgia, Florida, Alabama and Tennessee with headquarters at Atlanta. He will go to the home office at Watertown, N. Y., Aug. 1. Mr. Dickey had 18 years field experience. He was formerly in the office of the southern department of the Western and British America.

KENTUCKY AGENTS COMPLAIN OF PRACTICE

SAUFLEY TO HOLD HEARING

Declare Cincinnati Officers Conduct Dummy Agents on the South Side of the River

LOUISVILLE, July 18.—The old fight of the Covington, Newport and other agents, on the south bank of the Ohio River, in Kentucky, against Cincinnati agents writing business in Kentucky, has broken out afresh. The northern Kentucky agents are complaining that the Cincinnati agents, in some instances, are employing "dummy" agents in their territory.

Shelton M. Saufley, insurance commissioner of Kentucky, announces that he plans to make a thorough investigation of the matter, and that department employees will be sent to the Covington, Newport section, to arrange hearings and listen to the complaints. He also stated that licenses of all "dummy" agents would be revoked.

Complain of Ohio Agents

For several years there has been complaint over activities of the Ohio agents in writing Kentucky business. In some instances, it has been alleged that employes of the Cincinnati offices, residing on the Kentucky side, would secure licenses to write business in Kentucky, as representative of some company, giving their homes, or some part time office as headquarters. The company would send them supplies at the address, but the supplies would be kept in the Cincinnati agent's office, and the alleged agent in Kentucky would be no more than a Cincinnati solicitor, with a Kentucky license and mailing address.

Say Practice Is Unethical

This sort of thing would be impossible if the companies would refuse to license agents under such conditions. The alleged Kentucky agent, employed by a Cincinnati agent, makes his report to the Kentucky Audit Bureau at Louisville. The actual billing of the policy to the customer is done in Cincinnati and probably on the bill head of the Cincinnati agent. It is unethical and unfair Kentucky agents say. Northern Kentucky agents have enough competition from the hot bed of mutuals, without competition from out of state agents, they continued.

Blue Goose Insurance Plan

E. D. Marr of Kansas City, insurance secretary for the grand nest of the Blue Goose, who is in charge of the group insurance plan, announces that the project has gone over successfully. There are some 3,000 members that have entered the group plan with the American National Life of Galveston. The company is found to be highly desirable, although a few insurance commissioners have held that under their laws a group policy can not be written unless there is a common employer, but Mr. Marr is receiving applicants wherever the order is located. The members will be able to get their insurance at a very satisfactory figure.

Mackenzie With Travelers Fire

D. F. Mackenzie has been appointed a special agent for the Travelers Fire in the Pittsburgh and Wheeling territory. He will have his headquarters in the Pittsburgh office and will work under the direction of H. M. Eckels, manager for the Travelers Fire in western Pennsylvania and West Virginia.

Mr. Mackenzie served the last four years as an engineer for the Continental in central and eastern Pennsylvania. Previously he was employed as inspector and engineer in the Underwriters Bureau of the Middle & Southern States.

Seattle Club in Insurance

SEATTLE, WASH., July 18.—The Automobile Club of Washington has voted to go into the insurance business through the medium of the Mutual Union of Seattle, one of the F. J. Martin companies. Details of the plan have not been divulged.

NEWS OF COMPANIES

UNIVERSAL IS EXPANDING

Has Entered Additional States and Is Extending Its Fire Insurance Department Gradually

The Universal of Newark, N. J., which is managed by Talbot, Bird & Co., of New York, has recently entered Florida, Indiana, Iowa, Louisiana, Rhode Island, West Virginia and Wisconsin. It is now doing business in 20 states and Canada and expects to enter more in the near future. R. Karper, formerly with the National Union, and T. M. Butler, formerly with the Hartford Fire, have been added to the field force in the east. The Universal now has 170 fire agencies. The western department under Harvey W. Murray of Chicago is giving a good account of itself.

* * *

Tokio Marine & Fire

The home office statement of the Tokio Marine & Fire shows some handsome gains over the previous year. Its capital is \$15,000,000. Its assets are \$78,302,777, a gain of almost \$4,000,000. The net surplus is \$33,412,447, a gain of \$2,800,173.

* * *

Anchor of Providence

The Anchor, which was organized in Providence in June, under the control

of the Providence Washington, is now doing business in six states. The company is now authorized to operate in New York, New Jersey, Florida, Massachusetts and the District of Columbia, as well as in Rhode Island.

* * *

Agricultural Plans Running Mate

WATERTOWN, N. Y., July 18.—Announcement was made this week that plans for incorporation of a new fire company to be run in connection with the Agricultural were announced. The board of directors of the Agricultural met to discuss the project. The company will have \$500,000 capital and \$50,000 surplus with a contingency reserve of \$250,000. No decision has been reached as to its name.

* * *

Pearl Assurance Increase

Directors of the Pearl Assurance of London, which operates in the United States as a fire reinsurance company, have approved the issue of the remainder of authorized stock, making a total of 100,000 shares fully paid and 139,000 shares now offered at par of £5.

* * *

Germanic Files Charter

The charter of the Germanic Fire of New York has been filed with the attorney general for approval. This company is starting with a capital of \$1,000,000 and surplus of \$1,500,000.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

CONVENTION DATE FIXED

May 13-16, 1929, is the date set for the next annual meeting of the National Fire Protection Association. It will be held at Memphis, Tenn.

* * *

REASON FOR NORTHERN'S ACTION

The resignation of William Aeneas Mackay, general manager of the Northern Assurance at the head office in London, was quite a surprise to those in the United States who were not acquainted with the difficulties that had confronted the company in the marine field. The "Policyholder," an insurance journal of England, states that Mr. Mackay's retirement was not a great surprise to the insurance folk on the other side. Mr. Mackay was manager of the London & Scottish, which had a heavy marine business. The Northern had a larger marine account than any other company of equal size. The last five years have been depressing in the marine market. The Northern absorbed the Indemnity Mutual Marine in 1917 and the World Marine & General in 1920. In 1920 its marine turnover was £3,491,154. This was reduced to £1,511,726 in 1923. The marine premiums from the Northern from 1923 to 1927 inclusive are £7,793,395. The claims and expenses amounted to £9,344,013. The London & Scottish funds deducted from this left a loss of £909,585.

Yet in its other departments the Northern Assurance has made fine money. In its fire business it had a profit of £400,569 during the period named and in the accident branch £4,327,100.

K. K. Peters, the assistant general manager, who becomes a directing head of the Northern Assurance, has worked up through various positions in the Northern. He was born in 1879 and is regarded as a very successful executive. He joined the Northern Assurance in 1896. Mr. Peters was Australian manager from 1914 to 1920. All companies have had trouble with their marine business during the period when the Northern Assurance was assimilating a large

marine income and readjusting its business.

GROWTH OF COMPANIES

In a circular letter to their clients, Frank L. Brokaw & Co., dealers in insurance stocks in New York, point out that from 1901 to 1926, both inclusive, the fire companies licensed in the Empire State increased their total assets by 558 percent; their net annual premiums by 604 percent and their net surplus accounts by 486 percent. Within the same period the percent gains of the casualty companies have been: In total assets, 1951; in annual net premiums, 2865, and in net surplus, 1085.

Despite the entry of a large number of new institutions into both the fire and the casualty fields within the past two years, Brokaw & Co. maintain that "the old and well managed American companies are today, more than ever before, in splendid position to meet and carry on competition for premium income. With their trained organizations and with their resources fortified by the establishment of substantial voluntary reserves made possible by accumulated profits, they should have no trouble in maintaining and increasing their volume of business on a profitable basis."

* * *

ANOTHER FRAUD ALLEGED

George M. Ruddy, formerly a general agent of the Underwriters Salvage Company of New York City, has been indicted for alleged conspiracy to defraud fire companies and for alleged use of the mails in such conspiracy in connection with the salvage operations of the fire-damaged stock of the Pittsburgh Dry Goods Company. Ruddy is already under indictment in another case on a charge of using the mails in a conspiracy to defraud fire companies. The Pittsburgh Dry Goods Company is a concern dealing in general merchandise in Pittsburgh, Pa. On Oct. 16, 1927 a fire in the premises of the company damaged some of the stock. The entire stock, which had a sound value of \$1,400,000, was taken over by Ruddy on behalf of the Underwriters Salvage

An Investment

A man buys bonds, mortgages, etc., for one reason, namely, he knows they are good investments.

Sell your client on the necessity of an *appraisal for the same reason. It is a safe investment, and a guarantee against loss due to under-insurance. Correct insurable values are arrived at in a way that leaves no room for doubt in the mind of any one.

And while you are stressing the point, insist on a Lloyd-Thomas *appraisal.

"WHAT IS AN APPRAISAL?" — It is a complete classified inventory of insurable property (except stock merchandise and raw materials). Each item of property is valued at today's cost to replace now. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—it makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

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To know that you have a company in your agency that has the facilities and desire to serve you completely and satisfactorily?

Fire Tornado Lightning Automobile Hail Rents Use and Occupancy

Company. It is alleged that Ruddy, instead of going through the usual process of realizing for the mercantile house the best possible price for the stock, turned it over to the Surplus Mercantile Company after he had made an agreement with that company to the effect that he was to receive a share of the profits from disposal of the merchandise. Ruddy recently was indicted in connection with the Mirabelli case, and following his indictment in that case he was discharged by the Underwriters Salvage Company after he had been in service with the organization 24 years.

* * *

AWAITS NEW YORK LICENSE

At the regular monthly meeting of the directors of the National Fire & Marine, H. R. Chambers, first vice-president, reported that the company is awaiting the report of the New Jersey examination to make application for entrance into New York. He said the condition of the company as of July 1 is that it has capital of \$500,000 and net surplus of \$452,000. H. C. Trowbridge, who has been secretary, was elected vice-president and secretary, and Chester D. Bogert was elected an assistant secretary. Earlier in the year the National Fire & Marine issued 6,000 shares of stock of \$50 par value at \$110, and thus added \$300,000 to its capital and \$360,000 to its surplus.

* * *

DEAL DIRECTLY WITH AGENTS

Brokerage binding offices of New York City are complaining that it appears brokers are placing business with recently organized companies instead of with their old connections. The fact that one of the binding offices of a company recently organized is said to be doing larger business than it expected to do is cited in confirmation of the theory. Other binding offices report that brokers who used to ask them to bind now often request the name of the company's agent where the risk is located and do business directly with him. It is explained as a reason for the change that whereas company home offices frequently will reject risks of undesirable classes that are received from the binding office, they will write the same risks if they come from an agent who has a good record with the company. Some companies say that since the binding offices are established primarily to help agents, if the business goes directly from the broker to the agent the end for which the office is established has been accomplished. Others say, however, that business so placed may not always benefit the company to whose agent it went directly, for the reason that if the agent receives it from a broker instead of from the binding office, he can place it among his various companies as he so desires, since his placing it is not within the control of any one among the companies he represents.

* * *

FIRE LOSSES DECREASE

New York City fire losses for the first half of 1928 decreased 16.26 percent from the figure for the first six months of 1927. Claims for the first six months of 1928 totaled 2,874 and for the first half of this year were 7,233,666, as against \$8,638,067 for the first half of 1927. Fire losses in the New Jersey shore area totaled \$609,738 to June 30, 1928, as compared with \$1,427,111 for the first half of last year.

* * *

BUYS LONG ISLAND FIRE

Controlling interest and management of the Long Island Fire has been obtained by Corroon & Reynolds. The organization plans to increase the capital of the new Long Island Fire to \$1,000,000. Corroon & Reynolds now has under its management a company representing each of the more important sections of the New York metropolitan area. Companies under Corroon & Reynolds' management are: Long Island Fire, Brooklyn Fire, New York Fire, Bronx Fire, Merchants & Manufacturers

Fire of Newark, Sylvania of Philadelphia, Republic Fire of Pittsburgh, Globe of Pennsylvania, Knickerbocker of New York and American Equitable of New York.

* * *

MONTGOMERY HARE'S DEATH

In the death of J. Montgomery Hare at his summer home in Tuxedo Park, N. Y., on Saturday there passed a figure long prominent in fire underwriting circles and a most kindly gentleman of the old school. A native of New Jersey, having been born in Princeton in 1842, Mr. Hare's connection with fire insurance interests, which was to continue uninterruptedly for 60 years, save for 12 months' service with the Union forces during the Civil War, began as a clerk with the American of Philadelphia in 1860. Three years later he removed to New York City. As a member of the firm of Frame, Hare & Lockwood, he represented a number of fire companies and also acted as United States manager for the London Assurance. In 1897 in association with Mr. Frame, Mr. Hare assumed the United States management of the Norwich Union Fire, and upon Mr. Frame's withdrawal from the firm became sole manager. In the course of time Mr. Hare's son, William, became associated with him and as joint managers they continued to represent the Norwich Union in the United States until 1921 when Mr. Hare, senior, retired from active business, though continuing as a trustee of the State Assurance of Liverpool until shortly before his death.

During his long life Mr. Hare had taken an active part in association work, serving at different times as president of the National Board, vice-president of the Western Union, president of the New York Board and president of the New York Fire Insurance Exchange. At the hour of his passing he was a director and chairman of the board of the Underwriters Salvage Company.

* * *

POTTER BACK ON THE JOB

Following an illness of nearly three months duration Ralph G. Potter, secretary of the Eastern Underwriters Association, is once more at his desk, looking and feeling like his old self. As a special agent in New York State for the Great American Fire, subsequently as manager of the Underwriters' Association of New York State and still later as secretary of the Eastern Union and of its successor the Eastern Underwriters Association, Mr. Potter is known to and highly regarded by a wide circle throughout the fire underwriting fraternity.

* * *

STRATTON BEGINS WORK

George F. Stratton has entered actively on his duties as general manager of the Underwriters Salvage Company of New York. He was elected to the post last week. He succeeds W. F. Tilton, who has announced his retirement from the post after years of service. Mr. Stratton also will assume the duties formerly assigned to G. M. Ruddy, whose services as general agent of the Underwriters Salvage Company terminated some weeks ago. Mr. Stratton has been with the General Adjustment Bureau as manager of the Boston office.

Mr. Tilton joined the Underwriters' Salvage Company at Boston in 1894, and in the following year went to the New York office. He was made manager of the New York department in 1907, general manager in 1915 and vice-president in 1917. During these years branch offices of the organization were established at Atlanta, Dallas and San Francisco, and under each of these offices sub-branches were located in New York state and in all the New England, southern, Gulf and Pacific coast states. Mr. Tilton has a host of friends in the business and his loss to the business will be keenly felt by many.

AS SEEN FROM CHICAGO

CHICAGO BOARD MEETING

The Chicago Board at its quarterly meeting elected P. B. Hosmer and Hugo Dalmar and E. B. Vickery of the Niagara on the executive committee. It was voted to change the meetings from the second Thursday to the fourth Thursday in January, April, July and October.

Preceding the Chicago Board meeting there was a meeting of the Fire Insurance Patrol. A budget of \$446,075 for the expenses during the forthcoming year was voted. Last year the budget was \$472,000. Owing to the consolidation of patrols No. 1 and No. 2 into one station at Monroe and Des Plaines streets, economies were effected. The patrol committee consists of Fred J. Sauter, chairman; H. A. Clark, Firemen's; S. H. Quackenbush, Westchester; A. O. Burdick, James M. Newburger, George R. Bowman and J. I. Naghten.

* * *

MANY SMALL FARM LOSSES

Companies writing farm business throughout the central west have been pelted with small losses recently. The vacation season for the loss departments is proving a very strenuous one, because the employees are called upon to do twice as much work as ordinarily. The increased number of claims come from hail and wind. While there have been no sweeping tornadoes, there have been a number of lusty blows throughout the country causing many small claims. To look after these and adjust them requires as much time and effort as if they were larger ones. The so-called commercial business has gone along fairly smoothly without causing any undue strain on the loss depart-

ment. On account of the continuous rainfall throughout the entire west there has been more damage because of the contents being harmed.

* * *

INSURANCE STOCK QUOTATIONS

Howard W. Cornelius of the investment firm of Lewis, Dewes & Co. of Chicago, gives the following stock quotations as of July 16:

Stock	Par	Bid	Asked	Stock	Par	Bid	Asked	
Aetna Cas. & Sur.	100	1025	1050	\$12.00	Pioneer Fire...	20	20	...
Aetna Fire	100	770	800	2.50	Preferred Acci...	100	550	600
Aetna Life	100	840	860	5.00	Presidential ...	25	29	...
Agricultural	25	120	130	2.20	Prov.-Wash. ...	5	26	29
Allemannia	50	330	350	10.00	Public F. N. J. ...	5	26	29
Alliance	10	75	82	2.00	Reliance Cas. ...	14	18	...
Am. Alliance Ins.	100	560	600	16.00	Reliance ...	10	26	28
American Auto	10	65	70	2.00	Rhode Island ...	100	340	370
Amer. Druggists	25	80	83	3.00	Rossia ...	25	156	158
Amer. Equitable	5	28	33	1.50	Seaboard Surety ...	10	20	23
Amer. ex. rights	5	26	29	1.00	Security, Ct. ...	25	125	135
American Res.	10	80	90	3.00	Southern Surety ...	10	34	36
Amer. Salamand.	50	75	78	2.50	Springfield ...	25	195	215
Amer. Surety	50	290	310	12.00	St. Paul F. & M. ...	25	182	192
Automobile	100	370	390	...	Stuyvesant ...	100	290	300
Baltimore Amer.	10	81	86	1.80	Sylvana Fire ...	10	27	30
Bankers Indem.	5	24 1/2	25 1/2	...	Transportation ...	25	40	50
Bankers & Ship.	100	550	600	18.00	Travelers ...	100	1725	1775
Boston	100	1100	1100	18.00	Rights	237	242
Brooklyn	25	100	107	...	U. S. (new) ...	10	90	100
Buffalo	100	425	450	13.00	U. S. Casualty ...	100	390	420
Camden	5	27	30	9.5	U. S. Fid. & Guar ...	50	425	435
Carolina	10	63	67	1.40	U. S. Mer. & Ship. ...	100	475	525
Cent. West Cas.	50	75	82	2.00	Universal ...	25	76	83
Chicago F. & M.	10	...	17 1/2	...	Victory ...	10	25	30
City of N. Y.	100	600	650	16.00	Virginia F. & M. ...	25	120	135
Colonial States	10	23	27	...	Vulcan ...	100	150	120
Colum. National	25	18	22	...	Westchester ...	10	85	89
Com. Casualty	10	50	55	1.60	22.00	
Commonwealth	100	700	700	20.00				
Constit. Indem.	10	30	37	...				
Cont. Casualty	10	68	70	1.60				
Continental	10	77	78	2.00				
Detroit F. & Sur.	50	68	75	4.00				
Detroit F. & M.	100	265	275	10.00				
Detroit National	25	18	22	1.00				
Dubuque F. & M.	100	...	20.00	...				
Eagle F. & M.	20	95	100	4.00				
Federal, N. J.	100	1150	1300	20.00				
Federal Surety	25	185	185	5.00				
Fidelity & Cas.	25	185	185	5.00				
Fidelity & Dep.	50	275	285	8.00				

Stock	Par	Bid	Asked	Stock	Par	Bid	Asked	
Fire Assoc.	10	49	50	2.50	Pioneer Fire...	20	20	...
Firemen's Fund.	25	110	116	5.00	Preferred Acci...	100	550	600
Firemen's	10	48	52	2.20	Presidential ...	25	29	...
Franklin Fire	25	360	380	8.00	Prov.-Wash. ...	5	26	29
General Surety	25	150	170	...	Public F. N. J. ...	5	26	29
Georgia Casualty	10	23	25	1.20	Reliance Cas. ...	14	18	...
Glens Falls	10	56	60	1.60	Reliance ...	10	26	28
Globe & Rutgers	100	2500	2650	44.00	Rhode Island ...	100	340	370
Gt. Amer. Cas.	25	15	20	...	Rossia ...	25	156	158
Gt. Amer. Indem.	10	78	83	...	Seaboard Surety ...	10	20	23
Gt. Amer. Ins.	10	47	50	1.60	Security, Ct. ...	25	125	135
Great Lakes	10	11	13	1.00	Southern Surety ...	10	34	36
Guardian Fire	25	107	115	5.00	Springfield ...	25	195	215
Halifax Fire	10	46	50	.60	St. Paul F. & M. ...	25	182	192
Halifax Rights	...	12	15	...	Stuyvesant ...	100	290	300
Hanover Fire	10	78	84	1.00	Sylvana Fire ...	10	27	30
Harmonia	10	73	78	1.40	Transportation ...	25	40	50
Hartford Fire	100	790	810	20.00	Travelers ...	100	1725	1775
Hartford St. Boil.	100	...	800	18.00	Rights	237	242
Henry Clay	10	11 1/2	12	.60	U. S. (new) ...	10	90	100
Home, N. Y.	100	530	545	20.00	U. S. Casualty ...	100	390	420
Homestead Fire	10	45	50	.60	U. S. Fid. & Guar ...	50	425	435
Hudson Casualty	10	9	12	.10	U. S. Mer. & Ship. ...	100	475	525
Import & Exp.	25	88	93	4.00	Universal ...	25	76	83
Ind. Indemnity	10	28	30	.50	Victory ...	10	25	30
Independence	10	19	22	.60	Virginia F. & M. ...	25	120	135
Ins. Co. of N. A.	10	75	76 1/2	2.00	Vulcan ...	100	150	120
Rights	...	9	10	...	Westchester ...	10	85	89
Iowa National	100	160	160	8.00	22.00	
Iroquois Fire	50	...	40	...				
Lincoln, N. Y.	20	95	105	4.50				
Lloyds Plate Gl.	100	290	310	14.00				
Maryland Cas.	25	160	170	1.85				
Mass. Bonding	100	550	600	12.00				
Merchants, Com.	25	350	370	8.00				
Merchants, Prd.	100	115	125	7.00				
Mechanics	25	100	100	2.50				
Merch. & Mfrs.	5	20	25	...				
Metrop. Casualty	25	88	93	4.00				
Metrop. Fire	10	10 1/2	10	1.00				
Michigan F. & M.	50	320	340	5.00				
Milwaukee Mech.	10	46	50	1.80				
National Ct.	100	1000	1100	25.00				
National Lib.	5	83	88	...				
National Union	100	325	350	12.00				
National Surety	100	305	306	10.00				
New Amster. Cas.	10	69	73	2.80				
New Brunswick	10	55	60	...				
New England	20	50	55	3.00				
New Jersey	20	52	58	1.80				
New York Cas.	25	86	91	4.00				
Niagara Fire	25	130	140	...				
Northern, N. Y.	25	120	130	3.75				
North River	25	310	320	7.75				
N. W. National	25	185	195	...				
Occidental	10	28	30	...				
Pacific Fire	25	160	160	4.00				
Pacific Indemnity	50	185	195	...				
Peoples National	10	53	59	1.25				
Phila. Natl. Fire.	10	22	26	...				
Phoenix Ct.	100	775	800	20.00				

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OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue. "Opportunities" advertisements are \$6.00 an inch for one insertion.

The National Underwriter
Chicago

WANTED: Young man for farm department work preferably one with endorsement or farm examiner experience. Address G-13, care The National Underwriter.

Small independent stock company wishes experienced automobile claim adjuster. Address P. O. Box 271, Lincoln, Nebr.

Experienced surety underwriter and former producing Special Agent, age thirty-six, now employed desirous of making new connection; nine years experience with large companies. Address G-12, care The National Underwriter.

WANTED

Claim man thoroughly familiar with Automobile finance insurance. Give full details as to age, experience and qualifications. Address G-15, care The National Underwriter.

Position Wanted

Fire Special Agent in Ohio. Forty-two years old, married, twenty-five years experience in Local Agency and field work. Not now employed. Best of references. Address G-17, care The National Underwriter.

The A & H Review
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fireproof are not equipped with sprinklers. The Associated Factory Mutuals have made a bid on the insurance now carried by stock companies. The vote however determined the Western Factory not to depart from its course. It was felt that if the competition of the mutuals was met on this line others would follow the similar course and endeavor to beat down their rates. The

Cleveland Terminal is located in the business district of the city and many companies found as much liability on their books in that section as they cared to carry.

* * *

John Rygel, superintendent of agencies of the western department of the Hanover, is vacationing at Indian Lake, Ohio.

SOME POINTS THAT LOCAL AGENTS SHOULD CONSIDER IN THEIR WORK

SCHOOL BOARDS AND TORNADO INSURANCE

RAYMOND C. DREHER, editor of the "Accelerator," the house organ of the Boston and Old Colony, calls attention to the desirability of agents impressing on school boards the necessity of carrying tornado insurance. School boards frequently feel that it is up to them to carry sufficient insurance to value from a fire insurance standpoint, but overlook the possibility of damage by windstorm. Yet in many cases the wind hazard is far greater than that of fire. Mr. Dreher points out that school buildings because of their size and construction are peculiarly subject to windstorm damage.

Disastrous Experience in St. Louis

The St. Louis board of education decided that it could carry its own insurance. It had accumulated a self insurance fund of \$75,000. In September a devastating tornado struck the city and the loss to the school district was \$1,000,000. The school board has seen the error of its ways and has since been endeavoring to work out a tornado insurance program which will cost something like \$32,000 for three years. The loss suffered in this one storm would have paid the insurance premiums for a full century. It will be recalled by those who were interested onlookers at the time of the big tornado in St. Louis in 1896, that St. Louis school buildings suffered heavy loss.

Catholic Diocese a Loser

Mr. Dreher also ascertains that the Catholic diocese of St. Louis is a heavy loser on account of this same storm on its schools and churches. It had an inter-diocesan insurance fund maintained by the church. It was found that very inadequate amounts of insurance were carried on church property. In most cases it is ascertained that the property loss will be fully three times the amount of the insurance. On the Catholic high school of St. Louis University the loss alone is \$152,000.

As Mr. Dreher observes, modern school buildings are much more costly than the old ones. They are more expensively equipped. A school house usually stands out by itself in a campus and therefore has not the bracing effect of other buildings close by.

Cannot Set an Average

Self insurance may work with a great corporation that has scattered properties over the country. When it comes to a district carrying its own insurance on its school houses, either fire or tornado, it has not enough property to get an average. At Fall River, Mass., Mr. Dreher states the technical high school burned in the conflagration there with a loss of \$600,000. This was supposed to be a fireproof building, but when it came to tremendous heat it succumbed. A school district cannot afford to carry its own insurance because it is impossible to get a spread.

Comment by Mr. Dreher

Mr. Dreher says: "A municipality carrying its own risk is like a man who has three or four scattered houses and thinks he can therefore carry his own insurance risk. The officials of a municipality are trustees for the property entrusted to their care by their fellow citizens, and it is questionable whether a trustee has

a right to place trust property in jeopardy by refusing to follow well-established principles and practices as to its adequate protection. The courts have already penalized trustees of private property for failing to insure it, and the same principle could be applied to trustees of public property by citizens who were forced to bear the burden of an uninsured loss. In addition, the municipalities fail to secure the benefit of the expert inspections and fire prevention service maintained by the insurance companies, and the assistance of the agents and companies and their technical organizations in the proper maintenance of the properties."

* * *

AIRPLANE DAMAGE

Owing to the increased use of airplanes both for commercial and passenger service, agents are finding it desirable to sell aircraft damage insurance. There have been many cases where property has been injured by fallen planes or by tools or other articles dropped out from planes. No person is free from this hazard. Airplanes are constantly flying above houses. Many companies now are writing this form of insurance.

* * *

CAPITALIZES HOBBIES

An agent in one of the company magazines tells how he capitalizes the fads and hobbies of prospects. He keeps a book in which these are listed. Some clerk keeps well informed as to these fads. When the agent or the clerk hears or sees anything of special interest to these customers that will make a particular appeal, a clipping is sent in or printed material of some kind is mailed. This makes an impression on the prospect.

* * *

NEW RESIDENCE BURGLARY POLICY

Undoubtedly under the more liberal form of residence burglary policy, agents will find a good talking point to increase their business from this source. A liberalization of this character opens the way for a new canvass. While the premiums remain the same, important changes have been made in the contract to avoid confusion and reduce friction. Agents therefore will see in the new liberalized form an opening wedge that should not be ignored. This branch of the burglary business is increasing rapidly. Owing to the use of the automobile, burglaries are much more prevalent. In cities the burglary hazard is far greater than the fire hazard. Where there are apartments the hazard is increased many fold. Many offices have arranged to make an intensive canvass for residence burglary, using the new policy as the background for an intensive campaign.

Will Soon Be Organized

William C. Scheide of Hartford who is organizing the Beacon Fire, a reinsurance company, with \$2,000,000 capital and \$3,000,000 surplus, is marketing the stock and will have the company organized at an early date.

Richard E. Verner, manager of the fire prevention department of the Western Actuarial Bureau, was the principal speaker at the meeting of the Rotary Club of Greenville, Mich., Tuesday of this week. Arrangements for the meeting were made by C. L. Hecox, a former Chicago insurance man.

An Open Letter to Harmonia Agents-- Digging Up Leads for Summer Business

Summer is no different from any other time of year with one exception. Some people think—it's just a thought—that a summer slump is as much a part of the season as the warm weather.

But why think about it?

You can increase your business while the other fellow is "slumping." And here's how.

First go over your list of fire insurance clients. Select those whom you believe should have more insurance on their property. Then send them a letter.

Next go over your automobile clientele and select the names of those who should have more automobile insurance or additional automobile coverages. Send them a letter.

Then follow up both lists with personal calls. If you keep your lists down to a small but very select number, you will have no difficulty in calling on all of them.

The letter suggestions are available to Harmonia agents upon request. Send for your copies today and start turning the summer slump into summer business.

In territories where the Harmonia Fire Insurance Company is not already represented, applications from reputable agents for representation will be considered.

HARMONIA
Fire Insurance Company
NEW YORK OFFICE
59 MAIDEN LANE



CHANGES IN THE FIELD

GLOMSTAD GOES TO OHIO

State Agent of the Liverpool & London & Globe in South Dakota Is Transferred

Following the resignation of Robert B. Sherman of Columbus, O., special agent of the Liverpool & London & Globe, to become Ohio state agent of the Northern Assurance, the Liverpool is transferring A. R. Glomstad of Sioux Falls, S. D., state agent, to Ohio to be associated with State Agent C. B. Corry. W. W. Boardman, farm special agent of the Liverpool in the two Dakotas, has been appointed state agent of the recording department in South Dakota to succeed Mr. Glomstad. He was formerly in the field for the recording department, but a year ago was transferred to the farm end.

The South Dakota field men gave a farewell party to Mr. Glomstad Saturday afternoon at Elmwood Park at Sioux Falls. The afternoon was spent in golf. The ladies joined the party in the evening and participated in the dinner. The field men presented Mr. Glomstad with a wrist watch, the address being made by D. L. McCoy.

Paul L. Thompson

Paul L. Thompson has resigned as special agent of the Hanover in New Jersey to become special agent of the Fidelity-Phenix in that state.

H. A. W. Happer

H. A. W. Happer will on Aug. 1 assume the West Virginia special agency of the Fidelity-Phenix, to which post he was recently appointed. For the past six years he has been associated with the Roanoke, Va., agency of Davis & Stephenson. Prior to that time for a number of years he traveled Virginia

and West Virginia for the London & Lancashire and the Orient. Mr. Happer will make headquarters at Charleston.

New Hampshire Fire Appointments

The New Hampshire Fire announces the appointment of three new special agents for northern New England. Edmund W. Hill, for nearly a dozen years at the home office, will have charge of southern New Hampshire and southern Vermont. Milton H. Cilley, also for many years in the home office, will be special agent for eastern and northern New Hampshire. John M. Robinson, for ten or more years at the home office, will be special agent in northern Vermont and northeastern New Hampshire.

All will have their headquarters at the home office in Manchester.

Harold Yost

Harold Yost of Jackson, Tenn., special agent of the Hartford Fire, has resigned and returned to Illinois. He has become field man for the Union Automobile Indemnity of Bloomington, Ill. Mr. Yost formerly traveled in Illinois. His field will be taken charge of by other Hartford field men in Tennessee.

Robert B. Sherman

Robert B. Sherman has been selected by R. P. Barbour, United States manager of the Northern Assurance, as Ohio state agent in succession to the late B. P. Tinsley. A native of the Buckeye State, Mr. Sherman, after graduation from the Ohio State University, spent four years in the service of the Ohio Inspection Bureau, following which he engaged in field work. Associated with Mr. Sherman will be William M. Reed as special agent, both making headquarters at Columbus.

NATIONAL BOARD ISSUES REPORT ON OIL HEATERS

The National Board has published the results of an investigation of causes of fire resulting from the operation of domestic oil heating plants. The report covers investigations made during the period from November, 1925, to April, 1928. It was found first that the oil burner systems in use were about evenly divided between the pump-feed and the gravity-feed types. On the basis of the total number of plants involved in the report, 40 percent apparently were not installed in accordance with National Board regulations. 48 percent were of makes listed by the Underwriters Laboratories, 45 per cent were of makes not listed and 2 percent were home made. The National Board says there is no material difference in the degree of inherent hazard between the pump and the gravity types of feed. The majority of reports received were from territories in which listed burners predominate.

Causes of Trouble Listed

It was found that failure of the auto shut-off valve was the cause of 20 percent of the fires reported, loose connections and leaky piping caused 15 percent, back fires caused 12 percent, defective oil burners caused 11 percent, carbonization caused 7 percent and the absence or the extinguishment of the pilot light caused 6 percent. It is interesting that dirty flues are listed as the cause of only 3 percent of the fires and that over-heated furnaces and flues was the cause of only 2 percent.

The agency of Grover Hamilton at Leon, Ia., has been purchased by Milt Manchester.

REPORT IS MADE ON AUGUSTA CONDITIONS

The engineers of the National Board in reporting on Augusta, Ga., say that the fire loss in the last five years was \$830,497, the loss per capita being \$3.08 and the loss per fire \$6.06. The water works are found adequate and reliable. There are insufficient quantities available in the principal mercantile district. The fire department is fairly well equipped but moderately deficient in manual strength. The fire alarm system is fairly adequate, but with features of unreliability. In the principal mercantile district improved construction and automatic sprinkler protection have somewhat reduced the conflagration hazard, but large or excessive joisted brick areas, lack of private fire protection equipment and inadequate water supply make group fires probable. However the buildings are generally low, accessibility good, a wide street forms an efficient fire break and, with the efficient fire department, no fire should affect more than a small section. In the minor mercantile cotton warehouse and manufacturing districts sweeping fires are improbable and no fire should involve more than a single plant.

Miscellaneous Notes

O. C. Gleiser, now of the western department of the Commercial Union but formerly Indiana state agent of the company, is spending two weeks with W. J. Henshaw, Indiana special agent of the company, in Indianapolis and the northern part of the state.

J. William Clark, president of the Clark Thread Company of Newark, N. J., died suddenly July 15, from a heart attack at his estate at Bernardsville, N. J. He had been a director of the American of Newark since 1902, when he was appointed to succeed his father, William Clark.

REPUBLIC AUTOMOBILE INSURANCE CO. HOME OFFICE DETROIT, MICHIGAN

"You need a young company—a progressive company that knows what competition is and has the ways and means for you to beat it—That's why the Republic Automobile of Detroit will appeal to you."

The Republic Special

"An Exclusive Automobile Writing Company"

TERRITORY
OPEN in

Ohio
Illinois
Indiana
Michigan



NATIONAL LIBERTY Insurance Company of America

SUMMARY OF 69th ANNUAL STATEMENT

January 1, 1928

CAPITAL	\$ 2,000,000.00
PREMIUM RESERVE	9,637,599.00
RESERVE FOR ALL OTHER LIABILITIES	1,458,105.00
NET SURPLUS	14,689,493.00
 TOTAL ASSETS	 \$27,785,197.00
 SURPLUS TO POLICYHOLDERS	 \$16,689,493.00

Fire, Automobile, Windstorm, Tornado, Sprinkler Leakage, Rent and Rental Value, Use and Occupancy, Tourist Baggage, Explosion, Property Damaged by Aircraft, Riot and Civil Commotion, Inland Marine, Parcel Post, Registered Mail.

**Home Office—709 Sixth Avenue
New York City, N. Y.**

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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AUDIT BUREAU OF CIRCULATIONS

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National Publishers Assn., Inc.

Getting People Better Prepared

THERE may be considerable difference of opinion as to the efficiency and practical results of agency qualification laws. Many of the state associations of local agents champion these measures. The sentiment behind the movement is commendable because it indicates an ambition to improve the quality of the agency personnel. The agents who are expert in their business, well trained and have knowledge to enable them to render the highest service are humiliated when they find themselves in competition with the unfit and the incompetent.

Where agency qualification laws have been established it is found difficult in some states to carry out the provisions because state insurance departments do not have sufficient appropriation to examine thoroughly into the qualifications of those who seek licenses. The appropriation granted state insurance departments by the legislatures is entirely too small in comparison with the amount of money collected from the insurance companies. However, there are certain demands on the departments that have to be met. Any unusual call on the office means extra expense. The department is not sufficiently manned to pro-

vide for additional obligations along these lines.

The greatest opportunity before the local agents for improving the personnel of those in the insurance business lies not in the pathway of legislation but in the education, training and development of the men and women who are connected with them in their agencies. The NATIONAL LIFE UNDERWRITERS' ASSOCIATION has recognized this in its field by establishment of a college of life underwriters, admitting to membership only those who have satisfactorily shown their grasp of life insurance subjects.

We do not know what form encouragement of educational efforts among the fire and casualty local agents might take, but surely everyone must agree that the first place to apply the principle of insurance education, training and development should be among the young men and women who are entering the offices of the established agencies. Except in a few of the largest cities, no serious, determined efforts are being made by the organized agency forces to give a thorough and basic insurance training to the forces in these offices.

More Contestants in the Arena

THE announcement that the UNITED STATES FIDELITY & GUARANTY is soon to put into the field the UNITED STATES FIDELITY FIRE and the further knowledge that the NATIONAL SURETY has sounded its agents as to the advisability of organizing a fire company will bring into the fire insurance field two Napoleons that are mighty factors in the casualty and surety arena. Both the UNITED STATES FIDELITY & GUARANTY and the NATIONAL

SURETY take foremost positions in their special field of endeavor. They have a large producing corps of agents. Their fire insurance running mates will have to be reckoned with immediately. Companies that have been organized by a large casualty organization like the AUTOMOBILE affiliated with the AETNA LIFE and AETNA CASUALTY and the TRAVELERS FIRE with the TRAVELERS have made a real impression on the insuring public.

Many Willing to Tune In

A KEEN insurance solicitor remarked the other day that where there is a will there is always an insurance prospect near at hand. Frequently a man may feel that he has exhausted his field. He surveys the domain, looks afar and does not see anyone in sight. Yet close at hand there is someone who will buy if he is properly ap-

proached. The insurance man who is making real progress has no difficulty in finding an audience. If he is master of his work he will have listeners.

"THE man who shirks injures the reputation of his trade ten times as much as the man who works helps it."

PERSONAL SIDE OF THE BUSINESS

An interesting historical tablet has just been erected in the downtown district of Lansing, Mich., through the generosity and historical interest of Orien A. Jenison, president of the Dyer-Jenison-Barry Company, pioneer insurance agency of which James Victor Barry of the Metropolitan Life was one of the organizers. Mr. Jenison has had placed upon the office building of the agency a bronze plaque, bearing a replica in bas relief of the pioneer dwelling which formerly stood on the site and which happened to be Mr. Jenison's birthplace. The tablet bears, in addition, this inscription: "This tablet is erected in affectionate memory of my father and mother, Orien Austin Jenison and Helen Butler Jenison, who resided at this location 1857 to 1881. O. A. Jenison, Lansing, Mich., 1928." The tablet was designed by Paul E. Cabaret, New York sculptor.

The \$150,000 home for the aged at Abilene, Kan., built in connection with Brown Memorial Park, all of which has been sponsored and endowed by C. L. Brown of Abilene, president of the "United Companies," which include the United Life of Salina and the United Trust Company of Abilene with branches in Wichita and other of the larger Kansas towns, was dedicated July 15 with Governor Paulen of Kansas as the chief speaker.

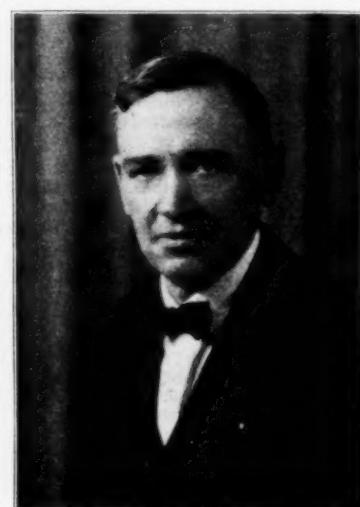
News has been received in Oklahoma City of the death of H. S. McFall in Florida. Mr. McFall was widely known in Oklahoma insurance circles, having spent three years as special agent for the Niagara Fire at Oklahoma City. Several months ago his health failed and he went to Florida hoping for physical improvement.

Charles J. Bruce, of Seibels, Bruce & Co., Columbia, S. C., and secretary of the South Carolina Fire, died last week following a brief illness. Mr. Bruce was 50 years old. In 1898 he entered the office of Edwin G. Seibels at Columbia as a clerk. In 1915 he was taken in as a partner.

John J. Guile, for many years United States manager of the Sun of England, died at his home at Saratoga, Cal., last week. Mr. Guile was a native of Liverpool, having been born there May 5, 1854. He moved to London in 1882. In 1872 he became a clerk in the home office of the Royal where he remained until 1882 and then transferred his allegiance to the Sun. In May, 1885, Mr. Guile was appointed secretary of the United States branch of the Sun in New York. The next year he became manager and in December of 1886 he was appointed United States manager, serving in that capacity until he retired in 1919 being succeeded by Preston T. Kelsey, who had been western manager at Chicago. After Mr. Guile's retirement he went to California and made his home thereafter in that state.

John R. Shields, president and general manager of the National Guaranty Fire of Newark, and vice-president and general manager of the Independent Bonding & Casualty, is at Galveston Beach, Texas, recuperating from a very severe attack of double pneumonia.

Insurance Commissioner Don C. Lewis, of South Dakota, will be the official host when the National Convention of Insurance Commissioners meets at Rapid City, S. D., Sept. 24-26. Mr. Lewis was engaged in ranching in the western section of South Dakota and later was established in banking and insurance east of the Missouri river. He was appointed private secretary to Governor Bulow, who in turn appointed him insurance commissioner. Mr. Lewis is a native of Wisconsin. He



DON C. LEWIS,
South Dakota Commissioner

was a court stenographer and acted as secretary to Congressman Esch for a number of years. He was appointed South Dakota insurance commissioner and state fire marshal, July 1, 1927. He is a Democrat and served as a delegate to the national convention in New York in 1924. Mr. Lewis is giving much attention to planning the details for the commissioners meeting in the Black Hills.

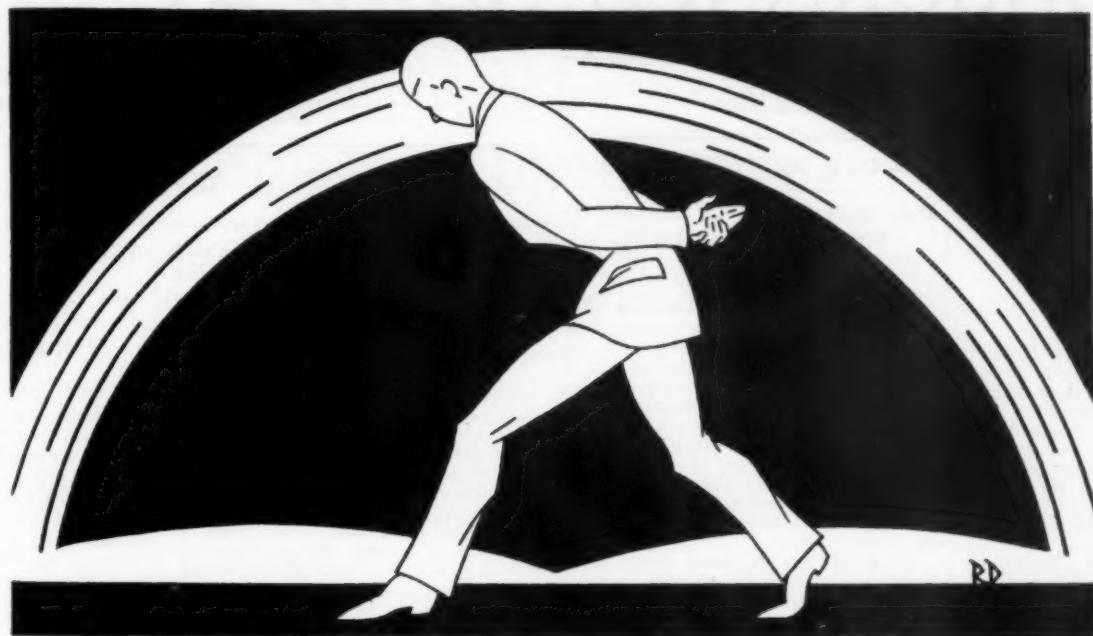
C. D. Babcock, advertising manager of the Fireman's Fund, is being congratulated over the arrival of a granddaughter. Mr. Babcock was already "granddad" to two grandsons.

That "13" means nothing to A. G. Chapman and the Chapman Insurance Agency, Louisville, was shown in a news item appearing in a local paper there on Friday, July 13, which stated that the agency needed another trunk line, and secured No. 13. The office was opened in 1913. It is in suite 1300 on the 13th floor of the Starks building, and right now there are 13 people employed in the office.

E. G. Richards, formerly United States manager of the North British & Mercantile, sailed from New York for Liverpool July 14. He will visit Great Britain, France, Switzerland and other countries of continental Europe, and may be away in all for a couple of years. Since his retirement from active business in 1919, Mr. Richards has followed closely developments in the fire insurance world, and has given considerable study to scientific rate-making, a subject that has long interested him.

Bertram F. Lutz, state agent in Wisconsin for the London & Lancashire, and Mrs. Lutz have announced the arrival of a baby boy at their home. Mr. Lutz is the third of a trio of field men in Wisconsin to announce the arrival of babies the last few weeks Harvey Girard, state agent for the Providence Washington, and William I. Gillen, special agent for the Continental, also have additions to their families.

Ben A. Ruffin, head of B. A. Ruffin & Co. local agency of Richmond, Va., has been elected president of the Lions International. He was elevated to this office last week at the annual convention at Des Moines. The past year he had been first vice-president. He is one of the charter members of the Lions Club of Richmond and has been actively identified with it ever since it was launched. Mr. Ruffin has long been a prominent figure in insurance circles in his home city.



When You're Groping For Ideas

Probably there are times in your business when you are temporarily at a loss as to just how to proceed. Every business man has those moments. Maybe it's when you are planning an advertising campaign — or a booth at the county fair; or it may be when you find you need a new book-keeping system or a new arrangement for your office space.

Whenever such times come wouldn't you welcome some practical information or suggestions as to what you can do? Wouldn't you be relieved if you could just stretch out your hand, so to speak, and get it?

You can.

Our Advertising and Service department specializes in just such practical information. It has had long experience in solving these problems for our agents. It has the reputation of delivering the goods. Our local agents are its best boosters.

These and countless other interesting insurance problems are discussed crisply and decisively in our monthly publication, *The ACCELERATOR*, which goes to every one of our agents. You may have read reprints from it in the various business papers.

For a sample copy of this business-building magazine write, now, direct to our Advertising Department

**BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
87 KILBY STREET, BOSTON, MASSACHUSETTS**

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

CHANGES IN OHIO AGENCIES

Some of the Recent Announcements as to Readjustments as to Various Offices

A list of recent changes in Ohio agencies includes:

Washington C. H.—The W. J. Hitchcock and the W. B. Hyer agencies have been consolidated under the name of the Hitchcock & Hyer Agency.

South Solon—C. C. Rowand has taken in Carl Buehler as a partner.

Greenville—The Stenzel Insurance Agency has been sold to the Rogers Insurance Agency.

Coshocton—McDonald & Co., which has been operated by Joseph Haverick, has taken in Matthew A. McConnell, and will be known as the McConnell-Haverick Agency.

Bellefontaine—The H. H. Newell Agency has been sold to Chester Pearce.

Greenwich—The George Insurance Agency, as a result of death of Benjamin George, has been taken over by his widow, Mrs. Alberta B. George, and Calvin G. Bender. It will be continued as the George Insurance Agency.

Bluffton—Nile W. Murray has taken over the Murray & Page agency.

Cincinnati—The C. O. Gansel & Co. agency, which has been operated by Lee and Sidney Schottenfels, will now be known as the Schottenfels Insurance Agency.

Gibsonburg—The D. H. Potts & Son Agency will now be operated by Frederick L. Potts as the Fred Potts Insurance Agency.

Galloway—Miss Norma B. Giles, who operated the Bostwick agency, has recently been married to Arthur D. Tyler and the agency will now be conducted under the old name by Arthur D. Tyler and Norma B. Tyler.

New Vienna—Tolle & Williams Agency has been taken over by Mr. Williams and will be known as the H. K. Williams Agency.

Toledo—H. E. Nelson has succeeded Luke H. Spooner as manager of the insurance department of the Reuben Realty Company.

No Definite Plans Made

COLUMBUS, O., July 18.—No definite plans have yet been made by Superintendent of Insurance W. C. Safford for the investigation of fire insurance rates in Ohio, which was recently ordered by the State Supreme Court upon the petition of Congressman Charles Brand of Urbana. The state board of control recently appropriated \$3,000 as a starter. Superintendent Safford had asked for \$10,000. It is understood that some fire insurance expert who is not a resident of Ohio will be selected to conduct the investigation.

Mutuals Make Inroads

The mutuals have made further inroads into business handled by the stock companies in Cincinnati. Among the latest risks which have gone from the stock companies to the mutuals is the Julian Kokengen Shoe Company with factories in Cincinnati and Columbus. The entire plant in both cities is being insured by the New England mutuals. It is said that the Andrew Jergens Soap Company in Cincinnati has been taken over by the mutuals also.

While there has been no change in ownership or personnel of the company, the Virginia Insurance Agency of Charleston, W. Va., will be known from now on as "Omar Morgan, Inc."

PREMIUM RECEIPTS ARE OFF

More Daily Reports Go Through the Ohio Audit Bureau but the Income Is Less

COLUMBUS, July 18.—That premium receipts for Ohio continue to show a slight falling off this year is the consensus of opinion among state and special agents. Some estimate the reduction at about eight percent. Of course some companies are showing slight increases and holding their own but the general trend is downward. Losses are probably slightly in excess of those of last year with many companies reporting a large number of dwelling house claims.

While the total business shows some decrease, the number of daily reports continues to show an increase. The Ohio Audit Bureau is handling more daily reports this year as compared with the same months last year. Increase in number of daily reports is accounted for partly by new construction, but part of it is generally credited to more careful supervision of lines by the companies and reduction of amounts at risk on single properties.

American National to Enter Ohio

The American National of Galveston, which is placing the group life policy on the members of the Blue Goose, filed with the Ohio department on Monday an application for license in that state. A short time ago it was pointed out that the company was not licensed in Ohio and the law on the subject was cited in connection with the Blue Goose plan. The application of the American National for license in Ohio is expected to remove that objection.

Name Fire Prevention Committees

A. E. Bulau of Columbus, new president of the Ohio Fire Prevention Association, this week appointed the members of the executive committee. Some will serve as chairmen of committees and others as district chairmen. The committee chairmen are: William C. Howe, executive committee; W. S. Winard, fire protection and water supply; F. O. Evertz, electrical committee; J. B. Keating, speakers' committee; H. P. Winter, farm committee; C. G. McCray, inter-chamber fire waste contest; E. W. Lively, public buildings; E. A. Winter, legislative.

District chairmen include D. P. Ely, Earl Gibbs, H. D. Smith, W. J. Gilsdorf, Martin Vold, Jr., John Beddingfield, George L. Coates, W. F. Castle, Ray R. Dillon and Earl A. Reid.

Motorize Bucyrus Department

The Bucyrus, O., fire department is motorizing its equipment, having just purchased a \$13,000 motorized pumper. William F. Mader, who is 63 years old, has just celebrated the 40th anniversary of his connection with the department as chief. He has attended all of the 1,088 fire calls in the last 40 years except 30. Fire loss in that time was \$405,539. Mr. Mader is a bank president and retired business man, and fighting fires is a sort of hobby with him. He started as chief at an annual salary of \$300 and now he is drawing \$900. He is one of the town's benefactors.

West Virginia Notes

The Rochester American has been admitted to West Virginia.

The Lion Fire of New York has been admitted to do a fire reinsurance business in West Virginia.

Fire in the general store of J. H. Gillespie, Athens, W. Va., destroyed build-

ing and stock, the store of L. D. Parker & Sons, and damaged the M. E. Church, Barber's store, the office of the Athens Power Company and the office and main cable of the Bluefield Telephone Com-

pany. Mr. Gillespie estimates his loss at \$8,000, with \$6,000 insurance.

The Occidental of San Francisco has been admitted to Ohio.

CENTRAL WESTERN STATES

MICHIGAN FUND REINSTATED

Determine Mean Rate for \$34,000,000 in State Properties Under Fund's Jurisdiction

LANSING, MICH., July 18.—The state of Michigan shoudered the major portion of its own insurance burden this week when the state administrative board formally acted to place the state insurance fund again in effect after this statutory self-insurance plan had gone unused for more than seven years.

Instead of rating the various risks according to their actual ranking as hazards, a mean rate was determined and contributions to the fund will be on a level basis for all property covered, virtually a blanket form being put into effect, according to William E. Goodman, chief of the rating division of the insurance department, who has had charge of a good part of the arrangements for reinstating the fund. The average rate obtained is approximately 29 cents, as compared with a 60-cent maximum fixed in the statute creating the fund.

Several Excepted Properties

The total amount of financial responsibility to be assumed by the fund is approximately \$34,000,000, according to state officials, this sum being the insurable valuations given to the various state properties participating. The fund will not for a time include several state properties upon which coverage has been obtained from private carriers. Most of these contracts with stock insurers, however, are for short terms and it is understood that they will be terminated as soon as they expire, all such properties being placed in the fund eventually. Most of the insurance now carried is placed on the buildings at the state fair grounds in Detroit and upon some sections of the new penitentiary at Jackson. The longest contract in force is three years and most are for but a year, it is claimed. Prospects are that the University of Michigan buildings at Ann Arbor will continue to be insured by private carriers as these properties are directly in control of the board of regents. Buildings at Michigan State college at East Lansing are under jurisdiction of the state board of agriculture and private carriers' facilities could be used there, also, it is understood. It is considered more likely, however, that the latter institution will participate in the fund although the university governing body could also utilize the fund if it so elected. All other educational institutions operated directly by the state such as the state normal colleges, the state public school, and the Michigan College of Mines at Houghton are placed in the fund immediately, along with penal institutions, state hospitals and homes, and other kindred institutional holdings.

Approve Parking Regulations

LANSING, MICH., July 18.—Parking regulations in force in the vicinity of downtown fire stations have an important bearing upon fire protection, in the opinion of members of the Lansing Association of Fire & Casualty Underwriters, who have just obtained approval of the board of police and fire commissioners for a set of regulations which would minimize the street obstructions in the vicinity of central fire station here.

NEW ASSOCIATION ORGANIZED

Lake County, Ind., Men Form Tentative Body—Allen Lewis of East Chicago Is Elected President

GARY, IND.—Tentative organization of a Lake county insurance organization has been effected by prominent underwriters from the leading Calumet cities. Officers elected at the first conference were Allen Lewis, of George H. Lewis & Sons, East Chicago, president; Julius Meyn, head of the insurance department of the First Trust and Savings bank, Hammond, vice-president; George Osman, of the Gary firm of Oberdorfer-Osman, Inc., secretary-treasurer.

With 150 Lake county insurance agents as prospective members of the association, the aim of the organization is to bring about the adoption of a uniform code of ethics and to weld the underwriters into a compact body at whose conclaves mutual problems may be discussed. An extensive advertising campaign to place before the public the advantages to be gained through the purchase of insurance is planned for the near future.

To Form Alliances

The new organization, which will be known either as the Lake County Association of Insurance Agents, or the Lake County Board of Insurers, will be affiliated with the Indiana Association of Insurance Agents and through the state body with the National association.

H. W. Bruner of South Bend, president of the Indiana association, attended the first meeting and urged on those present the necessity for organization. According to Mr. Bruner, Evansville and the Calumet district agents are the only large groups in the state which have not perfected local associations. Fred Jannasch of the insurance department of the Commercial Trust company and a member of the executive committee of the state association also addressed the first gathering.

The next meeting of the county body will be held at East Chicago Aug. 6. At that time the constitution and by-laws will be adopted and the appointment of members of the executive board on which Gary, Hammond, Whiting, East Chicago, Hobart, Griffith, Lowell and Crown Point will be represented, will be confirmed. Standing committees including those on ethics, education, fire prevention and grievance also will be appointed at the August meeting.

New South Bend Agency Opens

At South Bend, Ind., the Underwriters Insurance agency has been opened in room 310 of the Pythian building by C. W. Crum, Jr., formerly with Charles W. Crum & Son. Life, automobile, casualty and fire insurance will be written. Mr. Crum has had a varied career in the insurance business, starting as agent in 1919 with the State Automobile Insurance Association, of which he was sales manager in the home office in Indianapolis for two years. He also has been connected with the Coral Gables Development company in Miami, Florida; the A. R. Humphrey real estate concern in Detroit; the Consolidated Underwriters in Kansas City, Mo., and has helped to organize branches of the Crum & Son company.

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President
A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer
WELLS T. BASSETT, Vice President

JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855
FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$40,000,136.83	\$19,459,279.01	\$7,500,000.00	\$13,040,857.82	\$20,540,857.82

ORGANIZED 1853
THE GIRARD F. & M. INSURANCE COMPANY
OF PHILADELPHIA, PA.

\$6,000,966.28	\$2,930,594.84	\$1,000,000.00	\$2,070,371.44	\$3,070,371.44
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ORGANIZED 1854
MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

\$4,828,245.29	\$2,820,808.68	\$600,000.00	\$1,407,436.61	\$2,007,436.61
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ORGANIZED 1866
NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

\$4,907,721.63	\$2,557,216.60	\$1,000,000.00	\$1,350,505.03	\$2,350,505.03
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ORGANIZED 1871
SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

\$4,835,369.35	\$2,520,317.56	\$1,000,000.00	\$1,315,051.79	\$2,315,051.79
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ORGANIZED 1870
CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

\$5,250,424.26	\$2,567,447.92	\$1,000,000.00	\$1,682,976.34	\$2,682,976.34
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ORGANIZED 1886
CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

\$760,298.04	\$375.00	\$300,000.00	\$459,923.04	\$759,923.04
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TOTAL OF ASSETS	TOTAL OF LIABILITIES	TOTAL NET PREMIUMS
\$66,583,161.68	\$32,856,039.61	\$25,684,495.78

WESTERN DEPARTMENT

844 Rush Street
Chicago, Illinois

H. A. CLARK, Manager
Assistant Managers

H. R. M. SMITH

JAMES SMITH JOHN R. COONEY

EASTERN DEPARTMENT

10 Park Place
NEWARK, NEW JERSEY

CANADIAN DEPARTMENT

461-467 Bay Street
TORONTO, CANADA
MASSIE & RENWICK, Limited,
Managers

PACIFIC DEPARTMENT

68 Sansome Street
San Francisco, California
W. W. & E. G. POTTER,
Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

Add to Your Profits from Fire and Casualty by Taking on a Splendid Life Line

THE Largest Mixed Insurance Company in the World recently Established a Life Department. There is a Pronounced Trend in that Direction. Agencies are adding Life to Fire, Casualty, Surety, etc. You, too, may Enlarge your Profits without Increasing Fixed Costs.

The most Satisfactory Life Contract Available is that of the Columbus Mutual—the Company which 20 years ago Eliminated Middlemen and Diverted the Huge Expense of their Maintenance into Savings for Policyholders and Agents. Its System makes possible Low Cost Insurance, Generous Commissions, and VESTED Renewals. There are No Restrictions in Territory. Each Contract is a Direct Home Office Contract—no Intermediaries between. The Agency that Produces gets ALL the Commissions.

Send today for this Distinctive and highly successful Company's Proposition. Write your Name and Address on the Margin of this Advertisement and Forward.

THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY

C. W. Brandon, Pres.



Columbus, Ohio

Incorporated 1852

MILWAUKEE MECHANICS' INSURANCE COMPANY

FIRE
MARINE
TORNADO
AUTOMOBILE
EXPLOSION
SPRINKLER
LEAKAGE
RENTS
USE and
OCCUPANCY
RIOT and CIVIL
COMMOTION

Milwaukee
Wisconsin

*Time-Tempered, Strength,
Security and Service*

in St. Joseph, Elkhart, LaPorte and Marshall counties.

Name Lansing Grievance Committee

LANSING, MICH., July 18.—A grievance committee has been appointed by the Lansing Association of Fire & Casualty Underwriters. It is anticipated that any further outbreaks of rate-slashing in the automobile field will be promptly referred to this new committee which is made up of a group of notably conservative local agents. The committee members are George Goodell of the Dyer-Jenison-Barry and Lansing Insurance Agency, chairman; Clyde B. Smith, member of the executive committee of the National association; Carl Trager, Miles Rider and Emil Lambertson.

Advocate Education of Firemen

PORT HURON, MICH., July 18.—Instruction of firemen in efficient fire-fighting methods through short courses at some of the state-supported educational institutions and regular courses in fire prevention in the public schools were progressive suggestions advanced by speakers during the convention here last week of the Michigan State Firemen's Association by Harry K. Rogers, the famous "fire clown" and fire prevention engineer of the Western Actuarial Bureau.

Fire prevention courses in the elementary schools were advocated by Commissioner Charles D. Livingston of the insurance department. He openly prophesied that such courses would be instituted within a few years, pointing to the present huge economic waste, much of it preventable, as sufficient basis for a systematic educational effort to reduce the fire loss of the nation.

Stringent Ordinance at Muskegon

MUSKEGON, MICH., July 18.—An ordinance providing a fine of not to exceed \$50 or confinement in jail for not to exceed 90 days for failure to carry out orders of fire inspection officials to eliminate fire hazards was passed here last week by the city commission. The city was previously without an enforcement ordinance and fire department inspectors frequently met with defiance when they ordered property-owners to clean up their premises.

Collegiate Arsonist Sentenced

CHARLOTTE, MICH., July 18.—Judge McPeek in Circuit Court here last week sentenced Donald C. Smith, Olivet college student, to serve from one to 10 years in the state reformatory in Ionia. Smith's plea of guilty had been received some time previously following his confession that he set fire to the Kappa

Sigma Alpha fraternity house on two occasions in order to obtain insurance funds to help pay off the fraternity debt and to finance improvements to the house. Two other boys, Dale Thieben, Charlotte, and Arnold Dulker, Grand Rapids, were placed under arrest along with Smith and they are still awaiting lower court hearings on charges of arson.

Will Meet in Springfield

The annual meeting of the Illinois Association of Insurance Agents will be held in the fall at Springfield, Ill. No time has been set as the executive committee has not been polled on the subject. It will probably be held the latter part of October.

Indiana Notes

E. Porter Ayres, associated with the Bippus-Martin Agency, Huntington, Ind., was married July 14 to Miss Ema Adelaine Thompson of Canton.

Among companies which have recently entered Indiana are the Public Fire of Newark; Protection Mutual Fire, Chicago; First National Mutual, Bloomington, Ill.; Mill Owners Mutual Fire, Chicago.

The insurance department of the defunct Knox Harrison Bank & Trust Company, Vincennes, Ind., has been sold by Ira D. Schaefer, receiver, to John Selby and Edward A. Acker. Mr. Acker formerly was trust officer of the bank.

Manfield & Secrest, Bloomfield, Ind., who a few weeks ago purchased the Vosloh & Chambers agency, have bought the Ray G. Laughlin agency which will be combined with their other agencies. It is understood that Mr. Laughlin will devote his attention to the life insurance business.

Michigan Notes

License was granted last week by the Michigan department to the Rochester American of New York.

Loss of \$25,000 was sustained through the practice of striking a match over a gasoline tank at Grand Rapids, Mich. The resultant explosion and fire gutted the Stocking Avenue Garage and burned several cars.

At least one of the four mysterious fires of recent date in Pentwater, Mich., was cleared up when Joseph Schmiedt, local baker, confessed that he fired the building in which his bakery was located and which was owned, in part, by his wife. The Schmiedts' insurance coverage amounted to around \$20,000.

A fire of suspected incendiary origin July 14 destroyed the grocery store and meat market of the Hoyt Crosby Company at Creal Springs, Ill. The stores of J. B. Moray, C. C. Kelley, Charles Brim and Doug Lewis were also damaged. A night watchman reported seeing some men flee from the grocery and meat shop as the fire broke out.

STATES OF THE NORTHWEST

FIRE UNDERWRITERS ELECT

Jay A. Weeks Is President of Minnesota Association—Frank Rogers Is Made Vice-President

MINNEAPOLIS, July 18.—At a meeting of the Minnesota Fire Underwriters Association Jay A. Weeks, special agent for the Home of New York, was elected president to succeed R. W. Schimmel, Fire Association. Mr. Weeks was formerly vice-president of the association. Frank Rogers of the North British & Mercantile was named to succeed Mr. Weeks as vice-president.

Executive Committee Unchanged

W. H. Unger remains secretary and treasurer. The executive committee consisting of C. R. Lill, Sun; Z. Z. Savory, London & Lancashire; George A. Roberts, Detroit Fire & Marine; A. B. Davis, Queen, and A. L. Danek, American Eagle, remains unchanged.

C. J. Lund, assistant manager of the General Inspection Bureau, and A. E. Strudwick of the same organization spoke at the meeting. Both men presented statistics in defense of the new dwelling rates and interpreted the various rules embodied in the new schedule.

CALL HEARING ON NEW RATES

Local Protest of Rochester, Minn., Citizens Develops Into State Wide Affair

ST. PAUL, July 18.—What started out to be a local protest on the part of Rochester citizens against the new dwelling schedules of the General Inspection Company has developed into a state-wide affair and the hearing called for July 23 before Commissioner Wells promises to be a lively indignation meeting.

St. Paul officials have lined up with Rochester in opposition to the higher rates on dwellings and other towns, including Red Wing, Granite Falls and Wells, have sent protests. In addition the lumber interests of the state have taken a hand as the use of wooden shingles is involved in the dispute.

Condemn Wooden Shingles

The new schedules affect all cities of the first, second, third and third and a half classes. They are interpreted as a condemnation on the part of insurance companies of wooden shingles. The insurance companies have endeavored for several years to have St. Paul and Minneapolis pass ordinances restricting the

use of wooden shingles but they have not succeeded thus far.

The St. Paul Association has named a special committee headed by William Hamm, Jr., to investigate the new schedules. Commissioner Wells said he wants all the facts and figures available at the hearing July 25 and if the citizens make an adequate showing he will not permit the higher rates to stand.

MUTUAL COMPETITION KEEN

Field Men in the Northwest Find Participating Companies Are Becoming More Aggressive

MINNEAPOLIS, July 18.—Field men of stock companies find that mutual competition has become more aggressive in the northwest. Some of the specialty mutuals have grown in strength and have extended their indemnity classification. While heretofore they have confined themselves to certain occupations and have covered the property owned by those connected with these occupations, they are now reaching out into the general field. Then, too, the more general writing mutuals are expanding. Many of these are appointing local agents and are pressing for business. They are entering clear Union agencies for automobile or special lines. This means that other business will get into their clutches. The field men have discussed ways and means of meeting this competition, but no plan has come to light that seems effective. Some mutuals now write fairly large lines because they have automatic reinsurance treaties with other mutuals.

North Dakota Mutuals Meet

Forty officers from North Dakota farm mutuals attended the annual meeting of the North Dakota Farmers Mutual Insurance Association at New Rockford. George Dickinson, Minnewaukan, president of the association, in his address urged the farmers to "turn a deaf ear" to insurance companies outside the state and be loyal to the local units of the association.

A discussion of the use of lightning rods and fire extinguishers on North Dakota farms followed an address on that subject by E. J. Pepke, Bismarck, state fire marshal. S. A. Olsness, commissioner of insurance, and Charles Chalmers, Hope, also spoke. A new depository law for farm mutuals was considered in detail.

Unlicensed Companies Rapped

Commissioner Don C. Lewis of South Dakota is lining up his campaign against unauthorized insurance companies which seek to write business in South Dakota through agents within the state. He is calling attention to several eastern organizations. He especially calls attention to the Keystone Agency of Newark, N. J., which is said to be seeking business for a number of European companies that have no authority to write insurance in South Dakota and are circularizing agents of the state.

Mr. Lewis makes the specific statement that any agent in South Dakota who attempts to write business for such unauthorized companies, will find his license as an agent canceled and if the record is such as to make the necessary showing will face prosecution.

Hitchcock Joins Adjusting Firm

MINNEAPOLIS, July 18.—Clyde Hitchcock, formerly deputy state fire marshal, has resigned his position to go into partnership with Joseph Supornick, insurance adjuster. Mr. Hitchcock served as deputy fire marshal 11 years and for the past five years conducted arson case investigations in the Twin Cities. The adjusting company expects to operate in five states in this territory. It has offices in Minneapolis and St. Paul.

Hail Claims Flood State Fund

BISMARCK, N. D., July 18.—More claims for hail damages were made to the state hail insurance department during the week of June 30 to July 6 than in any other week this season, it was shown in the weekly report issued by

the department. The total number of claims made during the week was 2,685.

The claims are for the most part the result of the hail storms throughout North Dakota July 5. Department inspectors, whose business it is to make estimates of hail damage, were forced to hire large crews of assistants to list the damage.

Serving Arson Term: Gets Insurance

SHAWANO, WIS., July 18.—The Security of New Haven lost a civil suit here brought by Frank Oberleitner to collect on a fire insurance policy. Oberleitner is now serving a term in prison for arson, being found guilty in the criminal action, but the jury in the civil suit absolved him from the arson charge. The company's defense was that the plaintiff burned the building himself, that he had prevented neighbors from saving furniture from the burning building, and that he had made false representations at the time he took out the policy.

The fire occurred March 21, 1926, and completely destroyed a saloon and dwelling at Thornton, near here, which Oberleitner had bought on a land contract. The saloon was padlocked by the federal court after \$1,600 had been paid on the property. All insurance policies on the building were cancelled as a result of the padlock, but he secured a policy from the Security on the contents.

Modify Auto Storage Rules

MILWAUKEE, July 18.—Storage of automobiles in buildings in the downtown section of the city will be permitted under a new ordinance which has been drawn up and which has the approval of fire insurance men and the fire department. The ordinance provides that automobiles may be stored under store and office buildings but automatic sprinklers must be installed, and storage areas may not be larger than 5,000 square feet without increasing the fire prevention precautions. Fireproof partitions of specified thickness are to be installed and there must be adequate ventilation. Work on cars in storage is prohibited.

The modification proposed will permit the construction of two large buildings

Hotel Directory

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Insurance
Men's
Headquarters
in
Minneapolis

The best hotel in the Northwest,
opened in 1924 contains six hundred
rooms and first class restaurants.
Moderate Rates Prevail
W. B. CLARK, Manager

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HOTEL
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East of LaSalle
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Insurance Headquarters

Brevoort Hotel upholds
worthily the best traditions of
American hotels famed for hos-
pitality.

When in
Omaha
Hotel Conant

New—Fireproof
250 Rooms with Bath
Rates \$2 to \$3

The
Hotel Baltimore



500 Rooms

RATES
Room without Bath... \$2.00 and up
Room with Bath... \$2.50 and up
Double Room with Bath... \$4.00 and up

Marble Coffee Shop
TABLE D'HOXE
Lunch... 75¢
Dinner... \$2.50 & \$3.50
Also A la Carte Service

CEDAR RAPIDS, IA.
HOTEL ROOSEVELT

RATES: Room without Bath with private Lavatory \$1.50 and up. Room with Bath, Shower or Tub \$2.50 and up.

R. G. KILL, Mgr.

NEW YORK'S NEWEST
AND FINEST HOTEL

SMARTLY NEAR THE
CENTER OF THINGS



THE PARK CENTRAL
Fifty-sixth Street and 7th Avenue
NEW YORK CITY

Around the corner from New York's exclusive shopping district, readily accessible to leading theatres, and railroad terminals, yet in a neighborhood socially correct and away from the noise and turmoil of the business district. The Park Central enjoys a location distinctly unique in its advantages.

Come to The Park Central, New York's newest and finest hotel, where you will find advantages heretofore unknown to American Hostelries—Radio outlets . . . Electric Refrigeration . . . Five Period Salons and Roof Patios for private social functions . . . Swimming Pool . . . Roof Garden featuring the world-famous Venetian Gondoliers . . . other features equally unusual and desirable. Single rooms five dollars per day and up. Double rooms eight dollars per day and up.

COMPLETE PROTECTION

Whatever the need for automobile protection, a Union automobile agent or broker can render complete service. Here are the coverages this company writes:

FIRE
THEFT
LIABILITY
PROPERTY DAMAGE

COLLISION
100% Replacement
50% Retention
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UNION AUTOMOBILE INSURANCE COMPANY

HOME OFFICE, UNION INSURANCE BUILDING, 1008 WEST 6TH ST., LOS ANGELES

Assets December 31, 1927.....\$2,759,938.57

"A GOOD ASSET TO ANY AGENCY"

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HAVE A
NO-WORRY POLICY
WHEN YOU HAVE
THE DELAWARE
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A sound *cleaning* policy!

RECOMMENDING the use of Oakite materials for all industrial cleaning operations is a sound policy for insurance men to follow because it paves the way for a reduction in fire risk; or other hazards imperiling safety.

Oakite materials are non-inflammable and non-explosive, both in solution and in the dry state in which they are stored. They have none of the hazards of gasoline and other combustibles.

Booklets, sent on request, give all the facts about **SAFE** Oakite cleaning. Write for copies.

Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the U. S. and Canada

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TRADE MARK REG. U. S. PAT. OFF.
Industrial Cleaning Materials and Methods

FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

planned for downtown Milwaukee, one to be built by the First Wisconsin National Bank at East Water and Mason streets, and the other at Fourth and Cedar streets. Frank R. Daniel, chief engineer of the Wisconsin Inspection Bureau, represented the fire insurance interests when the ordinance was drafted.

Work on Storm Losses

FARGO, N. D., July 18.—Property damage during the storms of the past week in North Dakota probably will reach \$1,500,000 and the loss in Minnesota will be as great, in the opinion of insurance adjusters of Fargo. Due to the continued rains and the larger number of losses reported in the week's series of storms, adjusters are having difficulties in making inspections of damaged property, as county roads have been almost impassable.

Nearly 400 claims have been received thus far by the Western Adjustment in Fargo for damage in July and the claims are still coming in at the rate of 50 or 75 a day, according to C. S. Whittlesey.

Policy Held in Force

PIERRE, S. D., July 18.—Notice that a premium note is overdue, and demand for payment, is not in any way prejudicial to the collection of a loss under an insurance policy after the date when the note becomes due, the supreme court of this state holds in the case of J. E. Alexander and State Rural Credits Board vs. Home on a hail insurance loss. A premium note was given due May 1, and was not paid when due. Several letters were sent by the company demanding payment, the accrued interest being asked for in each letter to the date it was written, but no specific notice of suspension or cancellation was sent, and the court holds that until the policy was formally suspended or can-

celed it was in force and effect, and that payment of the loss is due regardless of the fact that the premium note was overdue.

Northwest Notes

Damage estimated at \$25,000 was caused by a hall storm at Ortonville, Minn. Hailstones the size of hen's eggs fell, ripping trees in some sections.

Fire believed due to defective wiring destroyed the Gross Grain Company elevator at Wahpeton, N. D., July 10. Three thousand bushels of grain were burned. The total loss is estimated at \$10,000, covered by insurance.

Wisconsin Notes

The staff of the Wisconsin Audit Bureau held its annual beach party July 11 at Bradford beach.

Charles B. De Mille, general agent at Seattle, Wash., for the Milwaukee Mechanics, was a visitor at the home office of the company in Milwaukee last week.

The Milwaukee fire insurance patrols were in service 104 hours in June and covered 400 miles, to answer 114 alarms. They spread 506 stock covers and 21 roof covers.

W. C. Bradt, of Milwaukee, with Chris Schroeder & Son Co., has been reelected a director of the board of education for the village of Shorewood, suburb of Milwaukee.

The Milwaukee Board will send a delegation to West Baden to attend the convention of the National Association of Insurance Agents, Sept. 18 to 21, it was decided at the meeting of the board last week. An appropriation has been made for the members going on the trip.

Another fire hazard in connection with radio receiving sets has been discovered in Milwaukee. An overheated radio battery charger caused a fire in a home there which did \$450 worth of damage. According to the report of the firemen, the charger set fire to the rug in a bedroom.

IN THE MISSOURI VALLEY

MILLION LOSS IN NEBRASKA

Three Widely Separated Storms Cause Damage to Crops and Farm Property in That State

LINCOLN, NEB., July 18.—Three widely separated storms the week of July 9 caused total damage estimated at between \$1,000,000 and \$1,250,000, wind and hail being the principal forces of disaster. The damage was largely confined to farm buildings and farm crops. No figures are yet available as to the probable amount of insurance. The most destructive swept over Harlan and Phelps counties and southeastern Furnas county, and alone accounts for about \$1,000,000 of the loss. A trail of torn and ruined crops extended through a strip that was from 10 to 12 miles wide. Starting in Kansas the storm did not subside until it struck the Platte river near Elm Creek, nearly 30 miles distant.

Combination of Wind and Hail

Observers said that it was a combination of tornado, windstorm and hail, with side extensions of the hail deluge for several miles here and there. The greatest damage was between Oxford and Bertrand, where crop damage is figured at fully 50 percent in some localities to total over a large area.

The second heavy storm covered a strip of territory in Platte and Colfax counties 20 miles in length and ranging from half a mile to three miles in width. In part of the district the hail was accompanied by a heavy wind. The district covered extended from Platte Center to east of Richland, in eastern Platte and western Colfax counties. It was the worst storm in years in that section. Scores of wheat fields ready for the harvest, fields of oats almost ripe and growing corn were either totally ruined or extensively damaged. The losses ran from 20 percent to total. Although much of the corn was shredded by the hail, the belief is that as the stalks had not reached much of

a growth most of it will recover from the damage by future growth.

The third destructive storm raged in Pierce and Wayne counties, the greatest damage being done in the country between the towns of Pierce and Wayne. Two heavy showers in succession, each accompanied by hail, fell. Small grain was practically ruined, while corn was considerably damaged. This is distinctively corn country rather than wheat or oats and the losses will not run heavy because of the recuperative powers of corn.

Mrs. Siegel Leaves Agency

Mrs. Selma E. L. Siegel, who has been identified with the Ellsworth-Kerker agency at Davenport, Ia., for the last 13 years, has severed her connections with that firm. Mrs. Siegel began her insurance career in 1908 with the Wells A. Bemis agency at Davenport. In 1915 she joined the firm of Meyer, Ellsworth & Co. In 1921 the firm name was changed to Ellsworth-Kerker Company and since 1927 has operated under the name of Jules H. Kerker. Mrs. Siegel has not announced her future connection. She is one of the best informed insurance women in the middle west and has wide acquaintance among company officials and field men.

Kansas Bureau Field Club Meets

The annual meeting of the Kansas Bureau Field Club was held in Topeka July 17. Ralph Rawlings, president of the Western Insurance Bureau, was the guest of honor, and was greeted with a full attendance of the Kansas men.

Storm Losses in Iowa

DES MOINES, July 18.—July storms in Iowa have caused serious losses in extensive areas. Hail and wind have damaged crops beyond relief in sections a few miles north of Des Moines. So destructive was the hail that fields of corn waist high were stripped to the ground and farmers will plant the devastated land to various catch crops. Reports from the stricken area indicate that

farmers generally in the path of the storm were protected by insurance.

The storm of July 4 in northwestern Iowa was more disastrous than at first reported. One company reports 200 farms nearly swept clean of buildings, mostly in the northwest corner of Carroll county, the northeast corner of Crawford county and adjacent territory in Sac county.

The visitation of hail has convinced owners of buildings that are covered with composition shingles that while such roofs are a great protection from fire they are nothing like as substantial as wooden shingles when a hail storm comes.

Takes Honeymoon Trip by Air

WICHITA, KAN., July 18.—Miss Norah Munro House of the Wichita office of the Kansas Inspection Bureau, who was recently married to Byron E. House of this city, started her honeymoon in an unusual manner in that the newlyweds went by air from Wichita to Detroit. It was their first trip and was made more thrilling because of a forced landing due to fog. The landing was made without accident and the journey continued with little delay. Mrs. House will continue her connection with the Kansas Inspection Bureau upon her return to Wichita.

Kansas June Losses Greatly Reduced

According to the June report of the State Fire Marshal Elstun, Kansas losses reached the low mark of the year, being cut to \$199,990 for the entire state, a reduction of \$28,000 from June, 1927.

There was a big decline in the number of dwelling fires from May, 74 burning as compared with 194 the previous month. The loss was correspondingly reduced from \$151,469 to \$55,805; 39 barns were burned and 15 stores had losses. Causes of fires as classified showed 32 from lightning and 25 from electricity.

Returns from Texas Trip

WICHITA, KAN., July 18.—H. V. Wheeler of the Wheeler-Kelly-Hagny Trust Company spent several days last week visiting the San Antonio office of the company and other Texas points. His trip was prompted at this time by the serious injury of his son, Winston Wheeler, who was the victim of an automobile accident in Texas while on business for the company. He was removed to a San Antonio hospital where it was found that several bones were fractured; however, a rapid recovery is expected.

Stone Entertains Actor Cousin

WICHITA, KAN., July 18.—Austin Stone, independent adjuster at Wichita, recently elected president of the Central Kansas Field Men's Club, was visited last week by his cousin, Fred Stone, the popular actor, who stopped in Wichita in his private airplane en route to California. Fred Stone was born in Wellington, 30 miles south of Wichita, and spent considerable of his boyhood days with Austin Stone. Together they flew to the neighboring towns where their boyhood days had been spent together and renewed old acquaintances. Fred Stone's "ship" was a Wichita product, built by the Travel Air Company.

Many Small Wind Losses

KANSAS CITY, MO., July 18.—There have been an unusual number of wind-storm losses throughout the summer up to date in the states of Missouri and Kansas, according to the statement of field men here. The storms, which have not been of the tornado type, have been scattered through a wide territory, and have resulted in a considerable number of small losses, according to Firman B. White, state agent, of the Royal Exchange. The losses have been confined largely to demolished chimneys and partially destroyed shingle roofs.

Ask Semi-Annual Reports

TOPEKA, KAN., July 18.—The Kansas department and the attorney general have asked the fire companies to make semi-annual reports of the premiums involved in the Kansas fire insurance rate litigation without a court order. No reports have been made since October of last year and the department feels that it ought to have these reports with some regularity and at a definite time. It is

believed that the court would issue the order if it were asked for and it might require the reports and additional bonds to be filed every three months instead of every six months as the department now proposes.

Organize Training School

DES MOINES, IA., July 18.—The organization here of a school for the training of firemen has just been completed by William C. Walker, Des Moines commissioner of safety, in conjunction with his department chief, Will Burnett.

Expect Refunds Sept. 1

TOPEKA, KAN., July 18.—Refunds of tornado premiums to Kansas policyholders may be expected about Sept. 1. The special bureau created by the insurance department to make these payments now has about 20,000 of the 70,000 checks written to pay the refunds under the tornado rate order. It will require about one month to write the remainder of the checks and then must come the sorting of the checks by towns and by policyholders.

Nebraska Hail Losses Heavy

LINCOLN, NEB., July 18.—Reports have reached hail insurance companies of another destructive hail storm, the fourth in a week, that destroyed farm crops in Buffalo county over a strip 20 miles long and a mile wide, reaching from Odessa to Prairie Center. Crop damage will run from 50 percent to total. High wind that accompanied the hail wrecked a number of the smaller farm buildings. A fifth hail storm of equal destructiveness swept a territory 16 miles wide and 30 miles long in Sheridan county. Thousands of acres of crops were riddled, windows broken in hundreds of houses and in some cases killing live stock. The first reports are that all grain crops in the path of the storm were completely destroyed.

Reduce Residence Rates

DES MOINES, July 18.—Des Moines and Iowa residence property having fire resistive roofing has a 15 percent reduction in fire insurance rates, according to announcement just made here by the Iowa Insurance Service Bureau, with the new rate applying to all stock companies. The new rate is \$2.40 per \$1,000. The former rate was \$2.80.

In making the announcement, D. B. Edwards, assistant manager of the Iowa bureau, stated that the reduction is in keeping with an endeavor to encourage the use of fire resistive roofing, inasmuch as most of the residence fires are of the roof class.

Crane Agency Outing

The Charles L. Crane Agency of St. Louis entertained its employees at the Osage Hills Country Club July 12. The occasion was the annual picnic. Golf, baseball, swimming, etc., and a banquet of fried chicken with all of the side lines that go to make a successful outing were enjoyed by 90 people. Moving pictures of several annual outings given in previous years were projected on the screen and new pictures were taken for use on future occasions.

Kansas Notes

The Kansas Inspection Bureau has published new rates for Thayer and Walnut.

The Wheeler-Kelly-Hagny Trust Company of Wichita held its annual midsummer outing and picnic July 12. The office closed early and over 100 joined in the outing.

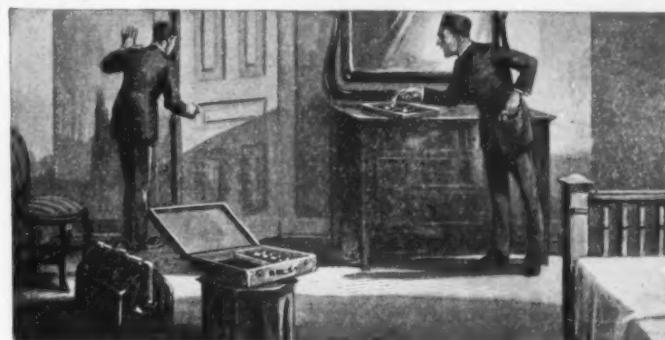
Charles H. Hatton, president of the Peoples Finance Company, Wichita, was reelected to the board of directors of Lions International at the annual convention in Des Moines.

The J. N. Chapple Investment Co., Wichita agency, has been reorganized. Kyle B. McGee has joined the organization, which has moved to more centrally located quarters in the First National Bank building.

The annual "stag" picnic given by H. D. Baker of Outland & Co. for the men of the agencies represented in the Wichita Insurors has been announced for July 26. These picnics which Mr. Baker has given for several years have been exceedingly popular.

Missouri Notes

Jay Elmer Fox, formerly a member of the Moriarty & Fox Agency, St. Louis, is now placing his personal fire insur-



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ance business through the Lon W. Harlow & Co. agency.

G. S. Kann, who formerly operated as a Class I agent in St. Louis under the name of G. S. Kann Insurance Agency, is now a solicitor for Weissborn & Reynolds.

George D. Markham, prominent St. Louis insurance man, was one of the honorary pallbearers at the funeral services of Howard Elliott, chairman of the Northern Pacific Railroad, in New York July 13.

Firman B. White of Kansas City, state agent of the Royal Exchange, has returned from St. Louis, where his 11-year-old son Edward underwent an operation. Edward is at home again and is well on the way to recovery.

A fire believed to have been caused by crossed wires at the base of a large

pipe organ did damage estimated at \$70,000 to the Third Baptist Church, Grand and Washington boulevards, St. Louis. The church structure is insured for \$180,000 and the contents for \$16,000.

Iowa Notes

The Des Moines "Register" has installed an insurance department.

Fire, believed to have been caused by spontaneous combustion, caused damage estimated at \$150,000 to the stock and building of a unit of the Northwestern Cabinet Company's plant in Burlington, Ia., Sunday night. The building was used as a warehouse and shipping room, and was filled with completed furniture awaiting shipment and about three carloads of selected birch and mahogany lumber. The loss was covered by insurance.

STATES OF THE SOUTHWEST

TEXAS DEPARTMENT BUDGET

Increased Appropriations Asked for Casualty Division, Less Money for Fire Section

AUSTIN, TEX., July 18.—Biennial appropriation recommendations for the three units of the state insurance department were presented to the state board of control last week.

Material increases were asked by the casualty division, principally to meet the requirements under the new law vesting that entity with jurisdiction over automobile insurance. The law failed to provide any funds for its enforcement or administration.

W. S. Pope, casualty commissioner, submitted a budget of \$18,300 for the first year and \$16,900 the second year for the automobile division. His workmen's compensation bureau calls for \$63,665 the first year and \$61,495 the second year, compared to \$45,450 for each of the present years.

T. M. Campbell, Jr., commissioner of fire insurance, asked for a budget less than two years ago. His total is \$205,220 for each year compared to \$211,590 for each of the present two years. Of the total requested, \$124,470 each year is for salaries, compared to the present \$121,720. The remainder is maintenance. The fire escape division calls for \$9,800 less than at present. All other appropriations are offset by special taxes paid by the insurance companies, fire and casualty.

A new item is \$3,000 for a traveling investigator for all three units of the insurance board.

George Joins Bankers Lloyds

J. Fred George, formerly special agent of the Associated Indemnity of Texas and special agent for T. A. Manning & Son general agency in former years, has been appointed district manager for the Bankers Lloyds, Dallas. His headquarters are in Houston, where he will establish a south Texas branch office.

Thomas J. Dunstan has been appointed executive special agent for north Texas, connected with the Dallas office. Mr. Dunstan for the last five years has been special agent for the U. S. F. & G. and was formerly connected with the National Bureau of Casualty & Surety Underwriters in the Atlanta and New Orleans offices.

Weigley Addresses Women's Club

H. C. Weigley of the insurance firm of John L. Wortham & Sons, Houston, Tex., spoke to the Women's Advertising Club of Houston on "Practical Insurance." Mr. Weigley said the average man takes his insurance as he does his politics, very lightly. He further pointed out that the well-informed insurance salesman serves community interest just as much as does the doctor, lawyer or banker.

Texas Losses of Week

Two disastrous fires in Texas Sunday destroyed more than \$100,000 of property

at Tyler, where the Swann building was gutted, and at Athens, where the old Deen and Williamson hotels were destroyed with serious damages to adjoining buildings. Fire at Corsicana in the Oil City Iron Works threatened the entire plant but was brought under control after it had destroyed the building which housed the office and supply room, with loss of \$14,000. An explosion from escaping gas wrecked the Waggoner Refinery at Electra, seriously burning six men and injuring as many more and causing thousands of dollars of property damage, which cannot yet be accurately estimated. The second auto company fire at Dallas within a week's time caused \$40,000 damage to building, equipment, stored automobiles and parts of the City Chevrolet Company.

Arkansas Fire Losses Heavy

One hundred and four fires in Arkansas in June caused property damage amounting to \$618,875. This is the monthly report of H. B. Savage, chief of the conservation division of the Arkansas Fire Prevention Bureau. In the list of causes of the fires Mr. Savage said carelessness and indifference to the fire hazards still bulk large. It is impossible to keep down fire waste unless it is recognized that the job of doing so rests on the shoulders of each one, Mr. Savage said.

Award Oklahoma School Insurance

OKLAHOMA CITY, July 18.—Fire and tornado insurance protecting Oklahoma City school property amounting to \$280,000 was awarded to local agencies by the board of education. Twenty-one agencies were represented in the awards, which varied from \$10,000 to \$20,000.

Read to Tour Storm Zone

OKLAHOMA CITY, July 18.—In order to acquaint himself with the damage done by storms in southwestern Oklahoma recently, Jesse G. Read, insurance commissioner, will make a survey of the district by automobile within a few days. How adjusters are handling the situation also will come under Mr. Read's observation.

Ordinance on Oil Storage

OKLAHOMA CITY, July 18.—The city council has passed an ordinance providing that storage tanks for gasoline and oils may be placed only in buildings of fireproof construction. The ordinance carries an emergency clause. It further provides that before installing such a tank a permit must be obtained from the city building department.

Enid Loss Figures

ENID, OKLA., July 18.—Damage by fires in Enid for the fiscal year ending June 30 was \$245,950. This damage is represented in five fires, the most disastrous of which was the Champlin hardware store at a loss of \$190,000. The Geis-Price elevator was destroyed at a loss of \$36,000, while the Eash pharmacy suffered a loss of \$12,000. The baseball park grandstand burned with a loss of \$5,000, and the dispatcher's office and headquarters of the Frisco railroad was damaged to the extent of \$2,950.

Arkansas Commissioner's Report

LITTLE ROCK, ARK., July 18.—Thirty-one new insurance companies, including three organized in Arkansas, have been authorized to do business since

May 15, 1927, bringing the total for the state to 464, according to the annual report of Commissioner Maloney. Seventeen companies withdrew, quit business or went into receivership. Others were lost through mergers, and some underwent a simple change of name. Thirteen companies were examined since 1926. Department receipts were \$660,034 in 1927 and disbursements \$161,650. Premiums collected by companies assessed for the firemen's relief and pension fund tax totaled \$5,338,272, producing a tax of 2 percent of \$106,765, half of which returned to the cities paying the premiums.

Oklahoma Notes

C. T. Ingalls, manager of the Oklahoma Inspection Bureau, with Mrs. Ingalls, is touring New Mexico and Colorado by motor.

James A. Atkinson, secretary of the Oklahoma Fire Prevention Association, announces completion of the reinspection of Grandfield, Tipton and Frederick.

M. E. Williams of McAlester, president of the Oklahoma Association of Insurers, has left with his mother to spend the

rest of the summer in Battle Creek, Mich.

Arthur Head, president of the Oklahoma City local board, returned Friday from a week's visit to Atlanta, where he joined his wife and baby, who had been visiting the former's parents for several months. Mrs. Head and baby returned home with Mr. Head.

Fourteen new fire plugs have been received and installed in Alva, Okla., which adds materially to the fire fighting facilities there. They have special steamer connection that makes them convenient for the pumping system of a new fire truck recently purchased.

Arkansas Notes

E. P. Walsh, well known insurance man of Hot Springs, Ark., has been installed as president of the local Rotary Club.

W. M. Williams, late of Blytheville, Ark., has purchased an interest in the Kelly-Stratton Company, Mena, Ark., and is now in charge of the insurance department. Mr. Williams, who has had many years' experience as an insurance man, will take over the work formerly handled by Mrs. W. R. Sossamon, who is retiring following her marriage.

IN THE SOUTHERN STATES

BUY MISSISSIPPI COMPANY

Union Indemnity Group Acquires Control of Bankers & Merchants Fire of Jackson

It is announced that the Insurance Securities Company has acquired the Bankers & Merchants Fire of Jackson, Miss. The Bankers & Merchants Fire will be operated with the Union Indemnity group, which includes the Union Indemnity, Northwestern Casualty & Surety, La Salle Fire and Union Title Guarantee.

The Bankers & Merchants has made a notable success among the insurance companies of the south. Its officers and directors represent the leading industries in Jackson, Miss. It has a substantial and profitable business and its development with the added advantages of affiliation with the Union Indemnity group will be materially enhanced.

The value of the influence and prestige of the officers, directors and stockholders in Mississippi of the Bankers & Merchants Fire will likewise be of value to the development of the business of the Union Indemnity group in Mississippi.

All Officers Retained

All of the officers and directors of the Bankers & Merchants Fire will retain their positions and interest in that company. President W. Irving Moss and Senior Vice-President Mike M. Moss of the Union Indemnity group, together with other officers and directors of the Union group, will likewise become officers and directors of the Bankers & Merchants Fire.

The Insurance Securities Company has been notably successful in developing the program of establishing a powerful group of insurance companies under unified management and control, but fully retaining all the local influence of each member of the group in a different section of the country.

W. Irving Moss in commenting on the matter said that while the Union Indemnity group already had a satisfactory business in Mississippi, this new influence will give each of the companies an opportunity rapidly to reach first place in the business of that state.

Charter Alexandria Local Board

The Alexandria Underwriters Association of Alexandria, Va., a non-stock corporation, has been granted a charter. Charles W. Holden, well known local agent, is president. Other officers are John G. Graham, vice-president, and Neilson T. Snyder, secretary. The declared purpose is to promote harmony and correct practices in the business of insurance underwriting.

RICHMOND EXCHANGE ELECTS

Herbert B. Race Chosen as President for Coming Year. Succeeding William T. Johnson

RICHMOND, VA., July 18.—Herbert B. Race succeeds William T. Johnson as president of the Insurance Exchange of Richmond. Other officers chosen at the annual meeting are Irving J. Straus, vice-president; Archer L. Richardson, secretary-treasurer. Mr. Johnson retired as president after two years' service. He was presented a handsome traveling bag.

In his annual report he recommended, among other things, the inauguration of a definite program for advertising the exchange and through it the membership, with a view of educating the insuring public to the value of having business written by exchange members; appointment of a permanent committee to handle all local matters arising before the state corporation commission; establishment of a closer working relationship between the field club and the local board; looking forward to employment of a full time secretary-treasurer and the establishment of an insurance library.

The new head of the exchange is a member of the local agency firm of Ivey L. Arrington & Co. The new directors are W. Gordon Harvie, Eugene H. Sutton, William T. Johnson, Herbert B. Race, Otis M. Alfriend, Irving J. Straus and Archer L. Richardson.

The exchange closed the year with a total membership of 52, representing approximately 95 percent of the volume of business written in Richmond. Speakers at the annual meeting were Attorney-General John R. Saunders and Congressman A. J. Montague. The Virginia Fire & Marine was host at an old fashioned barbecue, which was greatly enjoyed.

PLAN STATE INSURANCE DAY

Sept. 12 Will Be Celebrated at Kentucky State Fair With Educational Demonstration

LOUISVILLE, July 18.—Insurance interests which are promoting State Insurance Day at the state fair grounds, Louisville, Sept. 12, met in the quarters of the Louisville Board last week, for further discussion of plans. The installation of an insurance exhibit tent is planned where motion pictures will be shown to illustrate fire prevention, life saving and health promotion, with efforts to promote better hygienic conditions in homes, first aid methods, etc. It is planned to work with the Louis-

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The latter half of the book is devoted to special features of loss adjusting—waiver and non-waiver agreements, appraisals, arbitration, awards, non-concurrent insurance, court definitions of insurance terms, accounting in its relation to adjustments, the iron-safe clause, concluding with a chapter of "Facts Worth Knowing."

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ville Board of Safety and if possible stage a pageant illustrating development in fire fighting equipment. The committee in charge was also authorized to arrange for a huge banquet at a downtown hotel with national prominent insurance men present as speakers.

The executive committee that was named is composed of Fred H. Diehl, vice-president of the Liberty; Smith T. Bailey, Bailey-Stuart-Wolff agency, Louisville; Harvey White, Inter-Southern Life; J. R. Gore, American Life & Accident; Henry Hewett, First Kentucky Fire & Marine and Pope McAdams agency; Alex W. Tippett, Tippett & Walker, Louisville. Miss Blanche C. Huber of the Louisville Board's office was named secretary and Leo E. Thieaman of that office is chairman of the committee.

Will Meet in Chattanooga

The annual meeting of the Tennessee Association of Insurance Agents will be held in Chattanooga this year with members of the Chattanooga Board as hosts. The date has not yet been set but the convention will probably be held in October. The program is already in process of preparation and will be of an unusual nature.

Favor Teaching Fire Prevention

FRANKFORT, KY., July 18.—That the teaching of fire prevention in the public schools of this state will be accomplished this year seems to be a certainty, as every department of the state government concerned appear to be heartily in favor of it. When Commissioner Saufley was asked for his views in regard to this program he said:

"I wish to express my sympathy with this movement, which is bound to have extremely beneficial results if carried into effect. I am sure both the insurance department and the department of fire prevention and rates will be more than glad to give every cooperation possible in any way that either can."

The Kentucky State Fire Prevention Association at its annual meeting this year adopted a resolution requesting that fire prevention be taught in the schools.

Tennessee Committees to Meet

NASHVILLE, TENN., July 18.—George A. Caldwell, president of the Tennessee Association of Insurance Agents, has called a meeting of all committeemen of that association to take place in Nashville July 19 which all members are invited to attend. Those who can not come are asked to communicate to the officers any matter they think important for the advancement of the work. The meeting is called to discuss any problem that may be brought before it. The report

that a compulsory law has been introduced into the state legislature seems to have been circulated, when as a matter of fact the legislature does not convene until January, 1929. It is more than likely than it will be decided to conduct only a campaign of "watchful waiting" so far as an automobile law is concerned and defeat if possible any obnoxious bill that may be introduced. The consensus seems to be that some stringent license law would come nearer taking care of accidents than compulsory insurance. The meeting tomorrow will determine just what steps, if any, will be taken in this connection.

Gillenwaters Conducts Inspection

NASHVILLE, TENN., July 18.—E. M. Gillenwaters, fire prevention commissioner of Tennessee, is having a special inspection made of all theaters, churches and hospitals. The work is in charge of J. W. Weaver, ex-chief of the Nashville fire department, who has had long experience along this line.

Opens Industrial Office

The Home of New York has opened an office in the Southern Finance building, Augusta, for conducting an industrial department. The company's idea is to write household policies not exceeding \$500 on the industrial basis. The Augusta office is to be in charge of C. C. Claypool, superintendent.

Florida Business Good

JACKSONVILLE, FLA., July 18.—For the first half of 1928 the Florida insurance situation presents some highly satisfactory conditions, which include a considerable reduction in losses on carefully selected risks. Company checks on business written this year show good experience.

Virginia Field Club Meets

NORFOLK, VA., July 18.—At the quarterly meeting of the Fire Insurance Field Club of Virginia held at Norfolk last week, there was further discussion of the question of arriving at the proper method of adjusting losses when policies are non-concurrent. No solution of the problem, however, was reached. T. H. DeGraffenreid, North British group, presided over the Norfolk meeting in the absence of President D. L. Coulbourn, National of Hartford, who had been called to the home office of his company on business.

Frederick E. Nolting, president of the Virginia Fire & Marine, and Robert W. Prichard, secretary of the Petersburg, made talks outlining the plans for operating the new Virginia insurance rating bureau.

Seek Flood Cover in Kentucky

LOUISVILLE, July 18.—A number of local agents in Kentucky, more especially in the central part of the state, have been making inquiries regarding

companies, if any, that will write flood coverage, more especially to cover mercantile stocks from rising waters, which have entered stores and caused considerable damage over the past few weeks.

At Lexington, where damage estimated at over \$500,000 was done to various mercantile stocks and property when six inches of rain fell in three hours, a loss was adjusted on stock of the Woolworth 5- and 10-cent stores, under a blanket policy written for that company in New York by the Globe & Rutgers. So far as is known there is no company writing this type of insurance in a general way.

goods store, early the morning of July 11, resulted in loss of about \$17,500. The dry goods concern reported loss of about \$7,500, with \$5,000 insurance. An adjoining building owned by Joseph and B. V. Hunt was almost destroyed, loss being \$10,000 with \$5,000 insurance. The latter building was occupied by Law Brothers, grocers and hardware merchants. N. A. Crow, grocer, and the McElwain Bank & Trust Co. suffered slight damage.

Virginia Notes

The Bankers & Merchants Fire of Jackson, Miss., has been admitted to Virginia.

Robert C. Nicholas, veteran local agent of Charlottesville, Va., is dead. He was a native of Buckingham county and was educated at Hampden-Sidney College.

The First American Fire, one of the America Fire group, is entering Virginia. It will be represented by Willis, Johnson & Co. at Richmond, Howard W. Saunders at Hampton, and West & Withers at Suffolk. Other appointments will be made later.

Norvell Walker of Gibson, Moore & Sutton agency was voted the most expert player in the quoits tournament which furnished the principal pastime at the annual outing of the Richmond local board last week. Doug Johnson of the same firm won first honors in the indoor golf contest.

Fire losses in Augusta, Ga., for June were \$59. The amount for June, 1927, was \$7,322.

ON THE PACIFIC COAST

RATE REDUCTION IS SOUGHT

Commissioner Fishback of Washington Refuses to Approve Deviations Filed in That State

SAN FRANCISCO, July 18.—Despite the fact that Commissioner Fishback of Washington has said that he would not approve the rate deviations filed by the so-called "standard companies," these companies are of the opinion that they have a legal right to make such deviations under the insurance code of that state. Early in July Commissioner Fishback notified the companies' attorney-in-fact in Washington that he would not approve the changes.

This action has caused the companies considerable concern as a great number of policies have been renewed by the Washington agents at the new rates. If the commissioner insists that the new rates be abandoned and the old rates reestablished it appears that a legal action will result. If the commissioner should be victorious in any such action all policies issued at the

new schedule would have to be called in and rewritten or endorsed calling for a higher rate.

The companies involved held a meeting in San Francisco on July 13 to discuss the problem and there the opinion was expressed that the deviations filed were legal and effective. The task of the companies, therefore, is to convince the commissioner of this fact.

The insurance code of Washington, adopted in 1911, contained two sections granting the commissioner certain powers of regulation in the event any company or companies attempted to precipitate a rate war. In 1915 the legislature adopted an amendment in which the companies were given the right to file deviations from the rates promulgated by the Washington Surveying & Rating Bureau. It is on this amendment the companies place their belief as to their position in the present controversy. The new rates were to be effective July 11. The companies say that it would be almost impossible to call in all the policies written since.

SEATTLE, WASH., July 18.—One hundred and sixty-two fire insurance

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BUFFALO
RICHMOND

companies operating in Washington are affected by new schedules filed with Commissioner H. O. Fishback at Olympia by Fred Clark, attorney for the board companies, which seek reductions as high as 35 percent in some parts of the state. Mr. Fishback has the schedules under consideration and so far has not announced a final decision.

The cut is the third step in what is said to be a rate war between the board companies and the independents, the independents claiming that the move is designed to put them out of business.

Writing Below Standard

The new rates do not cancel standard rates, although the companies are doing business below the standard level. Under the plan the board companies established a cut of 20 percent in June, 1925, and in September, 1927, another cut was put into effect which put the rates 30 percent below standard. The cut just filed would bring the reduction down 5 percent more.

Officers of the Washington Surveying & Rating Bureau refused to discuss the cut, stating that their organization is not in any way involved. Mr. Clark represents the Bureau as well as the board companies in legal matters.

Organize Lion Assurance

The announcement has been made of the filing of incorporation papers in connection with the organization of the Lion Assurance of Los Angeles by I. M. Fisher, prominent Pacific Coast general agent with headquarters in Los Angeles. It is understood that the new company will have a capital of \$300,000 and surplus of \$450,000. It will write fire insurance and while headquarters will be at Los Angeles the company will enter Washington and Oregon in the near future. Mr. Fisher will be president of the new company and the names of other officers and directors will be announced later. Its home office quarters will be located in the offices of the I. M. Fisher general agency, 123 South Vermont Avenue, Los Angeles.

New Oregon Local Boards

The Oregon Insurance Agents Union, recently organized with Homer H. Smith as president, announces that local boards have been organized at La Grande, Pendleton and The Dalles. At The Dalles C. R. Ellis is president and Thomas R. Hudson, secretary-treasurer.

Still Consider Earthquake Cover

SAN FRANCISCO, July 18.—At a special meeting of the Pacific Board in San Francisco July 13 the executive committee was instructed to review the various views expressed and to collate them for further consideration at another special meeting to be held this week.

The principal subject before the board

on earthquake insurance since the adoption of the new single interest form is the request of the Los Angeles agents for a reduction in the exemption provision from 10 percent to 3 and 5 percent on certain classifications. There is apparently a belief among many fire underwriters that this request will be granted, or at least some compromise will be effected satisfactory to the agents and the companies writing the business.

Heavy Oregon Losses

PORLAND, ORE., July 18.—Three disastrous fires occurred in Oregon last week, with losses estimated at over \$500,000.

At Glendale, Ore., the entire business section was virtually wiped out, with a loss of \$200,000. Water was low and winds were high and practically no insurance carried.

At Klamath Falls fire raged through 1,000,000 feet of lumber in storage yards of Ewana Box Company, with a loss of approximately \$250,000.

At The Dalles 100 acres of standing wheat and several thousand acres of woodland burned over.

Southern California Field Changes

Harold J. Buckle, real estate operator of Los Angeles, has been appointed special agent in southern California for the National Union companies. He was for-

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Pacific Coast Fire, is spending several days in San Francisco.

The Brooklyn Fire has been licensed in Washington. G. A. O'Sullivan has been appointed state agent.

George C. Newell, fire insurance man of Seattle, has been honored with the presidency of the Young Men's Business Club.

The National Retailers Mutual of Chicago, one of the James S. Kemper companies, has been licensed to write fire insurance in the state of Washington.

Ed. M. Aughney has been appointed deputy state fire marshal with headquarters at Spokane by H. O. Fishback, insurance commissioner of Washington.

C. M. Seeley, president of Seeley & Co., Seattle, Wash., has just celebrated his 40th anniversary in the insurance business. He was honor guest at a banquet there.

John H. Schively, secretary of the Insurance Federation of California, is in

Seattle Blue Goose Elects

R. R. Robertson, special agent for the London & Lancashire, has been elected most loyal gander of the Seattle Blue Goose. He served as supervisor the past year. A. V. Holman of the Continental was elected supervisor; Carl N. Homer, Travelers, custodian; Harry Egan of the Cobb general agency, guardian; W. H. Maloy, Great American, keeper; W. P. Cassel, National Liberty, wielder.

The delegates to the grand nest meeting are Ed Lowe and Ed Johnson; alternates, J. M. Roddy and W. P. Cassel. D. R. Atkinson, deputy for the Pacific Northwest, was the guest of honor at the annual meeting.

Increase Washington Credits

The Washington Surveying & Rating Bureau has increased credits allowed for the use of the reduced rate average clause from ten points downward according to the class of protection of the city in which the risk is located.

Tenney Made Special Agent

Robert Tenney has been appointed special agent for a number of companies in the John A. Whalley fleet in eastern Washington, Idaho and Montana. Mr. Tenney has been in the insurance business for 17 years. His office is in Spokane.

Cut Vancouver Rates

VANCOUVER, WASH., July 18.—Fire insurance rates here have been cut from 25 to 35 percent, according to announcement by the Pacific Board. A flat cut of 25 percent was announced on residence and their contents. The cut is not retroactive.

Modesto Rates Reduced

Fire insurance rates in Modesto, Cal., have been reduced approximately 10 percent by the Pacific Board as a result of improvements made in the fire department system of that city.

Appointed to Governing Committee

LOS ANGELES, July 18.—Fred H. Bagley has been appointed a member of the governing committee of the Los Angeles Exchange, succeeding C. E. Toberman, resigned. Mr. Bagley is the head of the Hollywood agency bearing his name and is also president of the recently organized Hollywood Exchange, a subsidiary organization of the Los Angeles organization.

Knight With Bankers & Shippers

Dixwell Davenport, Pacific coast manager for the Bankers & Shippers and the Pacific Fire, visited Los Angeles last week in connection with the appointment of Harold Madison Knight as special agent in southern California, succeeding Thomas V. Humphreys, branch manager, who resigned to accept a general agency appointment for another company. Mr. Knight is a graduate of the University of Southern California and entered the insurance business some time ago with the Dudley & Dudley agency at Santa Monica, where he remained three years, later being associated with the C. Q. Brady agency at Los Angeles.

Assumes Charge of Branch

PORTRLAND, ORE., July 18.—Louis Grownay, formerly associated with Martin & Campbell, now has charge of Liverpool & London & Globe service branch in Portland.

Preferred Risk Fire Enters Oregon

R. H. Jenkins, Pacific coast general agent at Los Angeles for the Preferred Risk Fire, announces the entrance of this company in the Oregon field. The company writes fire and automobile lines and Mr. Jenkins, whose headquarters are in Los Angeles, maintains branch offices in San Francisco and Seattle.

Coast Notes

T. W. Greer, managing director of the



Continuing on my interviewing expeditions for my Plain Facts Ad. Campaign, I started for Plainfeld yesterday to see our new agent there. I wds goin' through Elizabeth doin' about 35 when I hits a blunker light and lands up on the sidewalk. I gets out, and when I looks to see if I was unlucky enough to have picked out a spot near the cooler, I find a Columbia sign on a window right in front of me! Nonchalant-like, I walks in and says 'I dropped in (wise crack!) to learn just why you represent The Columbia.' 'Cause I couldn't get The American. Four out of five agents in this town wanted The American. The fifth, old Pop Anderson, HAD it! Luckily I was the first of the four that your special called on after you took over the Columbia - otherwise I wouldn't got it. Pop likes to kid me 'bout bein' the only American agent in town - but I don't care. I've got all the American's facilities just the same, and the special calls on me regular, and helps me as much as he does Pop!"

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IN 1885 The Statue of Liberty came over to the United States in 210 packing cases. Proposed by a group of prominent Frenchmen, this colossal statue was designed by one of their members, Frederic August Bartholdi. The people of France gave their money that it might be a monument to the amity of two great nations.

In 1885 it was presented to the United States. Now it is a world famous landmark for those approaching the Port of New York.

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southern California, where he will make a series of insurance talks in Los Angeles and vicinity to various service clubs. George H. Mullin, president of the Mullin-Action Company, San Francisco, has returned from an agency trip to southern California. George Acton, who accompanied him, will remain in the south for some time longer.

Robert E. Andrews, chief engineer of the National Board, is in Los Angeles completing final details of a survey of the city. Herbert Raines and R. C.

Stange, engineers of the board, who assisted Mr. Andrews in the work, have returned to San Francisco.

Mrs. Ella Van Fossen, said to be a wealthy widow of Oakland, is being held as an arsonist at Riverside, Cal., after setting fire to one of her homes near Lake Elsinore and as a result destroying 800 acres of watershed belonging to the Temescal Water Company of Corona. She is said to have admitted setting the fire following a disagreement with the water company.

IN THE MOUNTAIN FIELD

DENVER STILL THIRD CLASS

Report of National Board Engineers Fails to Advance City's Insurance Rating

DENVER, July 18.—Denver is still rated in the third class with respect to conditions upon which fire insurance rates are based, according to a report received by the Denver chamber of commerce from the insurance department of the United States chamber this week. This report gives Denver's rating as determined by the engineers for the National Board who visited Denver last fall and made an examination of conditions.

The civic and legislative committee of the chamber will consider the report to see whether further action can be taken toward placing Denver in the second instead of the third class.

According to the report of the engi-

neers for the underwriters' board, Denver has 1,290 points of deficiency. To get into the second class, the city would have to reduce the number of points of deficiency to 1,000 or less.

In the itemized statement of the rating, Denver's water supply is ranked as in the third class; fire department, first class; fire alarm system, fifth class; building laws, third class hazards, fourth class, and structural conditions, sixth class.

Is Reporting to San Francisco

The Rocky Mountain field of the Northern Assurance after July 1 is reporting to the San Francisco department, managed by Clarence Allen. A. L. Teft as special agent represents the company in Colorado, New Mexico and Wyoming. This territory formerly reported to the old western department at Chicago and since the department was moved to New York has been reporting there.

NEWS FROM EASTERN FIELD

INVESTIGATION BILL PASSED

Massachusetts House Refuses to Accept Committee Report and Puts Through Measure

BOSTON, July 18.—The Massachusetts house of representatives has refused to accept the report of the joint legislative committee on ways and means, and has passed a measure calling for investigation by a special commission of fire insurance rates in Massachusetts. The commission would consider the adequacy of the present law, the advisability of enlarging the powers of the state board of appeal on fire insurance rates and the creation of a new board. The proposed body would have three members appointed by the governor, one from the senate and two from the house. An amendment to have 11 persons on the commission was lost.

Governor Fuller, in his New Year's message, asked for an investigation of fire insurance rates. After protracted hearings on the bills filed by the insurance committee, it rendered an unfavorable report. Then there was substituted a measure calling for an investigation of a plan for the advisability of supervision of the fire insurance rates by the commissioner of insurance. The lengthy hearings were renewed and the same old ground gone over as in the first bills. The result was virtually the same.

Finally the bill went to the joint committee on ways and means. The latter committee split up on the bill, the house committee being in favor of the bill and the senate committee being against it. President William R. Hedge of the Boston, who testified, said he did not think it would be a good plan for the fire rates to be supervised by the insurance commissioner. He explained that the commissioner personally could not supervise all the rates, that he would have to have a large organization and suitable facilities for the work, which he did not now have. The insurance companies have such facilities and perform the work.

The house overturned the recommen-

dation of the committee that the report be referred to the next legislature by a vote of 71 to 24 and Representative H. L. Shattuck immediately presented an amendment calling for the special investigating commission.

CRITICIZE PROPOSED CHANGE

Philadelphia Suburban Underwriters Association Says New Commission Would Not Effect Uniformity

PHILADELPHIA, July 18.—The Philadelphia Suburban Underwriters Association has recently bulletined its members with respect to proposed changes in brokerage rules in the territory under its supervision.

The proposed rule is based upon commissions payable to agents but as all members of the underwriters association are not obliged to pay the same commissions to agents, it would appear that the rule might not insure the uniformity it was designed to accomplish.

The present rule specifies that brokers shall not be paid more than 15 percent. The proposed rule would change this to read that no member shall pay any brokerage in excess of 10 percent less than the agent's commission on all items except dwellings and contents. Not more than 10 percent on items carrying 20 percent commission; 15 percent on 25 percent items; 20 percent on 30 percent items except private dwellings and contents where the brokerage is not to exceed 25 percent. On business outside the jurisdiction of the association but within the jurisdiction of the middle department, the proposed rule would limit the brokerage to not exceed 10 percent.

Would Leave Door Open

The attitude of the Philadelphia companies seems to be that while they heartily approve any move tending towards uniformity in brokerage, they do not believe that the proposed rule would effect the aim. They seem to feel that the proposed rule would leave the

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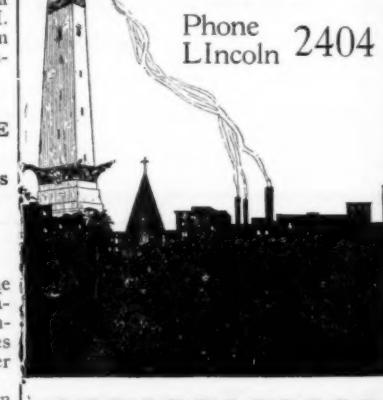
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door open to those who would pay various brokerage rates. They feel that the classes of various rates of brokerage should be listed in detail inasmuch as the commissions of the non-association companies may not coincide with the Eastern Underwriters Association rules.

The proposed rule also brings to mind one of the seven points which Philadelphia agents asked of the E. U. A. in the recent squabble over the new agency agreement—for a 10 percent overriding commission.

Utica Gets Reduction

Following a purchase of \$65,000 worth of new fire department equipment, including a new motor pumper, a water tower and other apparatus, Utica, N. Y., has been granted a 2-cent reduction in its fire insurance rate. A survey made last autumn by engineers indicated that such apparatus was needed. A bond issue was passed and delivery of the equipment will be completed within a week.

Hinkley Gets the Yorkshire

Ralph G. Hinkley of Boston has been appointed general agent in Massachusetts for the Yorkshire and the London & Provincial. Mr. Hinkley has long been an established figure in New England underwriting circles, managing the New England department of the American of Newark, and being general agent for the Virginia Fire & Marine and the Eastern Underwriters of the Camden Fire.

Compliance Date Set Ahead

Commissioner Taggart of Pennsylvania has deferred until Mar. 31, 1929, the date on which reciprocals operating in Pennsylvania must completely comply with the insurance laws of the state. The matter of the reciprocals' operations came to a head when the attorney-general's office construed the law as forbidding the reciprocals to issue contracts limiting the liability of subscribers. The attorney-general's office now desires to give further consideration to the opinion it handed down May 3 this year. Until

the postponement order was issued the reciprocals were under an edict not to issue any more limited liability contracts after Sept. 1, 1928, and to conform to the insurance law all outstanding contracts before Jan. 1, 1929. March 31 marks the end of the Pennsylvania licensing year.

Discuss Boston Commissions

BOSTON, July 18.—At the monthly meeting of the Boston Board of Fire Underwriters this week there was much discussion of the Eastern Underwriters Association plan of commissions for Boston. After the meeting it was announced that a special committee had been appointed which would deal with the Eastern Underwriters Association on the branch office question, consisting of William Gilmour, George B. Proctor, Herbert G. Fairfield and H. A. Kueeland.

Licensed in Massachusetts

BOSTON, July 18.—The LaSalle Fire of New Orleans, La., has been licensed in Massachusetts. Joseph P. Gough of Boston is named as agent.

The Rochester American of New York has been admitted to Massachusetts. George M. Lovejoy, Boston, has been named as agent of record.

The Anchor of Providence is admitted to Massachusetts. Charles D. Whitney of Millbury has been named agent for the state.

The Public Fire of Newark, as a result of a visit to Boston the past week of Vice-president D. N. Iverson, has appointed Frank Gair Macomber, as agent for Boston and the metropolitan district, and Dewick & Flanders as agents for the Public Underwriters for Boston and the metropolitan district.

Eastern Notes

The Rochester American has been licensed in Maryland.

Clinton W. Cady of Malone, N. Y., 79, for many years engaged in the insurance business, is dead.

Walter Austin McGlennan, a member of the firm of Lawford & McKim, Baltimore, died at Mercy Hospital last week following a two weeks' illness of pneumonia.

IN THE CANADIAN FIELD

AUTO UNDERWRITERS ELECT

Governing Council for Coming Year
Named at Annual Meeting in
Montreal—Business Increased

MONTREAL, July 18.—At the annual meeting of the Canadian Automobile Underwriters Association, held in Montreal, the following companies were elected to the governing council for the year ending June, 1929: General Accident, Ocean Accident, Travelers Indemnity, Western Assurance, Dominion of Canada Guarantee & Accident, Employers Liability, Sun, Zurich, North America, North British & Mercantile, Northern Assurance, Royal, Globe Indemnity of Canada, Guardian of Canada, Home of New York and Provident Assurance of Montreal.

The chairman in his report announced that the volume of automobile insurance business had increased tremendously the past year, in spite of the fact that rates had been substantially reduced. Thirty-six additional companies were added to the membership, now totaling 103.

HAIL LOSSES POURING IN FOR CANADIAN COMPANIES

REGINA, July 18.—Claims for hail losses sustained were pouring into the companies' offices at Regina the past week, and are being sorted for adjustment. The Northwest Adjustment Company, handling claims for about 50 companies, received about 400 claims, and expects some 300 more. The losses occurred in three separate districts. Saskatchewan farmers last year received nearly \$2,500,000 in payment of claims from insurance companies for damage done by hail. Alberta's claims

for 1927 exceeded by nearly \$1,000,000 the premiums paid for protection. Last week some hail storms again visited the province, and caused damage to crops. Hail damages are reported from Eskbank, Weyburn, Yellowgrass and Lang, Sask., but these are not very heavy.

Ontario Superintendent's Report

TORONTO, July 18.—According to the report of the superintendent of insurance for Ontario, covering 1927, 40 new fire companies transacted business, bringing the total of companies now licensed by the province to 298. In 1927 there was a favorable loss experience, the ratio of net losses to net premiums being 45.88 percent as compared with 44.15 percent for 1926. The net fire premiums in 1927 totaled \$22,154,670, while the losses paid amounted to \$10,616,003.

The experience in automobile insurance for 1927 in the province was unfavorable. An increase was recorded of five companies licensed to transact business in the province. The net premiums received were \$4,643,948, while the net losses paid out were \$2,576,430, an increase of 36.9 percent over 1926.

Winnipeg Institute Election

WINNIPEG, July 18.—The Insurance Institute of Winnipeg held its annual meeting last week. About 150 attended the meeting, which was one of the most successful ever held. James A. Dowler presided and expressed gratification at the progress the institute has made. F. J. L. Harrison presented the shields awarded by the institute to the students who achieved the highest marks in the examinations. Miss Esther Temple of Allan, Killiam & McKay won the gold shield. The silver shield went to Miss Marguerite Boutell of Fess & Smith, while the bronze shield was awarded to Joseph Gair, also of Allan, Killiam & McKay. F. J. L. Harrison was again elected honorary president. The election of officers resulted as follows: H. L.

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Total Admitted Assets \$1,345,456.84

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Licensed for Burglary Business

The Phoenix Assurance and the Aetna Fire have been licensed in Canada to transact the business of burglary insurance.

Home Officials Touring Canada

A party of prominent United States insurance men, comprising Charles L. Turner, president of the Home of New York; Wilfred Kurth, vice-president of the Home, and Harold Smith, vice-president of the Franklin, are touring Canada, visiting a number of cities.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending July 4 are estimated at \$632,300, as compared with \$256,550 for the corresponding week of 1927. Fire losses from Jan. 1 to July 4 are estimated at \$10,871,200, as compared with \$10,084,800 for the period from Jan. 1 to July 6, 1927.

British Columbia Blue Goose Elects

C. V. Wakely has been advanced to

most loyal gander of the British Columbian Blue Goose, succeeding W. A. Lawson, who served the past year. The other officers for the coming year are G. Cyril Hodge, Jr., supervisor; W. Orson Banfield, custodian; Reginald Long, Guardian; F. L. B. Diplock, keeper; and George L. Schetky, wielder.

Appointment at Winnipeg

WINNIPEG, July 18.—H. C. Mills has been appointed western manager of the North America, Alliance and Indemnity of North America. This group recently established its head office for western Canada here, which in the future will be directly associated with the home office in Philadelphia.

Canadian Notes

At Lethbridge, Alta., seven business houses were wiped out by a fire, with a loss of about \$30,000, partly covered by insurance.

Fire of unknown origin caused a loss estimated at \$150,000 to the Gloucester Lumber & Trading Co. at Burnsville, N. B. The loss is only partly covered by insurance.

The main building of the planing mill and sash door factory of Lairdlaw-Belton Lumber Company, Sarnia, Ont., was destroyed in a spectacular \$150,000 blaze last week. Spontaneous combustion was blamed for the fire. Several adjoining buildings and lumber yards were saved and the refinery of the Imperial Oil Company, adjacent to the planing mill property, escaped loss.

MARINE INSURANCE NEWS

NEW FLOATER COVER OFFERED

Policy Covers All Risks on Miscellaneous Articles—Is Issued at Rate of Only 2 Percent

Local agents interested in inland marine business are now offered another cover to write. It is known as the all-risks miscellaneous articles floater, and covers such items as doctors and surgeons' implements, firearms, lodges, paraphernalia, school colors, saddlery, street clocks, flags, trophies, and even such items as false teeth and artificial limbs. The coverage is against all loss or damage from accident, collision, derailments, fire, theft or any loss or damage whatsoever.

The rate is 2 percent for the United States and Canada and 3 percent worldwide. The minimum premium is \$10. For an extra charge of $\frac{1}{2}$ percent the miscellaneous articles floater can be extended to cover the items insured while they are on planes, dirigibles or balloons.

P. J. Leen Marries

P. J. Leen, who has been in the western office of William H. McGee & Company at Chicago for the last four years, has been married to Margaret Seery, and is now on his honeymoon. For seven years before he entered the Chicago office of the company Mr. Leen was at the company's home office in New York.

C. L. Griffith in New Post

C. L. Griffith has been appointed superintendent of the newly created "sidelines" department in the Cook county department of the North British & Mercantile. Mr. Griffith was with the A. F. Shaw office in Chicago from 1920 to 1925. During these years he handled the underwriting of all-risks jewelry and fur floaters, tourists' floaters and the like.

Caught With "Stolen" Car

ST. LOUIS, July 18.—Clarence A. Mudd of St. Louis, who reported on Feb. 23 that his Pontiac coach had been stolen and subsequently collected theft insurance on the machine, was arrested here July 13 in the same automobile.

The police quote Mudd as admitting he falsified the theft report. He paid off the balance due under mortgage with a finance company and also received \$73 in cash from the insurance money collected.

Mudd attempted to sell the automobile to a dealer earlier in the day and noting the numbers of the car, the would-be purchaser reported to the police. Mudd, becoming suspicious, fled before the police arrived but was picked up later in the day.

Rejects License Application

LANSING, MICH., July 18.—The Michigan department last week rejected the application for license made by the Universal Automobile of Dallas, Tex. Department officials explained that they believed a new company should not attempt to expand so far afield. Purposes accorded the company under its Texas charter are also much broader than those allowed a similar automobile writing Michigan carrier.

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The National Underwriter

July 19, 1928

Page Thirty-five

CASUALTY AND SURETY SECTION

NEW COMPANIES ARE BEING ORGANIZED

Running Mates in the Same Insurance Family No Longer Rare

CAPITAL IS ATTRACTED

Big Field in Casualty and Surety Yet to Be Developed and Cultivated

NEW YORK, July 18.—The announcement that the Insurance Company of North America, the old fire company of Philadelphia, will put into the field another casualty company to write all casualty and surety lines brings out another evidence of the group insurance development of later years that has become so noteworthy. The Indemnity Insurance Company of North America was established in 1920 and has had consistent success. It has \$1,000,000 capital. Its assets are now \$17,799,672 and its net surplus \$3,523,711. Last year its total income reached the \$15,500,000 mark, the premiums alone being \$15,000,000. Charles F. Frizzell, vice-president and general manager, has done a piece of excellent work in managing this company. Last year its dividend rate was 15 percent. Undoubtedly the success of this company has made an impression on the North America directors and stockholders.

Foreign Companies Organized Auxiliaries

While fire companies operate in groups, the tendency in the casualty field has not been so marked, although the trend is in that direction. Some of the foreign companies organized American running mates, not only to take advantage of additional sources of income but to be able to have an American company in case there was any prejudice against the foreign parent. The Employers Liability, for instance, organized the American Employers. The Ocean Accident has its Columbia Casualty. Someone remarked the other day that "the Columbia was the gem of the Ocean." The Aetna Life and the Travelers, both writing life business, found it desirable to organize running mates to take care of many of the casualty lines, and therefore the Travelers Indemnity and Aetna Casualty & Surety came forth. The Fidelity & Deposit purchased the old American Bonding and has put it into the field. The Union Indemnity of New Orleans purchased the Northwestern Casualty & Surety. The Royal Indemnity has the Eagle Indemnity as its running mate. The National Surety put the New York Indemnity in the field largely to do a casualty business. The United States Guarantee and the Guarantee Company of North America with head office in Montreal, have always traveled in pairs.

The centralization of insurance activities is keeping apace with the amalgamation in other lines of business. Owing

PLATE GLASS RATE CUT LIKELY TO BE MADE SOON

AVERAGE TO BE 10 PERCENT

Low Price of Glass Is Given as One of Principal Reasons for Reduction—Sept. 1 Given as Date

NEW YORK, July 18.—A reduction in present plate glass insurance rates for the great majority of the states, varying according to the loss experience in each, but averaging about 10 percent for the country as a whole, may be expected to become effective Sept. 1. Such action is favored by both the National Bureau of Casualty & Surety Underwriters and by the W. F. Moore rating bureau.

Many Agitate Reduction

The desirability of revising rates downward in view of the low price of plate glass has been agitated by many company men for some time, and the suggestion was endorsed at a general gathering of managers on June 19 and assumed concrete expression in the report of the special committee named at the meeting of the two controlling organizations. At the gathering last month the National Bureau submitted figures showing the premium income and the incurred losses in each of the states, indicating that a reduction of 10.4 over all from existing tariffs might safely be allowed. In 1927, according to the tabulation of the "Argus Casualty Chart," the net plate glass premiums of the country aggregated \$15,629,181 as against \$17,051,245, received during the previous year. The falling off in income was due in considerable measure to rate reductions previously sanctioned.

to the big returns from financial investments, the companies naturally are eager to roll up large amounts of assets so that the banking end of the business can make a showing. That is the attractive part of insurance these days. Naturally, companies have to watch their underwriting so that the loss on that end will not be too heavy.

Will Give More Elasticity

Now that the number of general agents is being restricted on part of companies operating in New York, a company may find itself in an embarrassing position because it cannot get the connections that it desires. If it had a running mate, it could easily double its major agencies. It would have more room in which to play. In some cities a company may find itself tied down to one general agent and yet have an opportunity to make another connection that would be greatly desirable. The original agent, however, insists on operating on the sole agency basis. If this company has a running mate, it could make the other connection. When a new running mate is put into the field, its overhead and operating expense are cut down through a cooperative arrangement with the parent company.

While the competition in the casualty and surety field is now strenuous be-

SOUTHERN SURETY LOSES WEST ALLIS, WIS., CASE

ORDERED TO REFUND PREMIUM

Decision Considered Far-Reaching in Field of Insurance Contracts for Municipalities

MILWAUKEE, July 18.—Contracts of the Southern Surety of Iowa with the city of West Allis, suburb of Milwaukee, for compensation insurance in 1927 and 1928, have been declared null and void by Circuit Judge Aarons. City officials of West Allis are enjoined from paying the remaining premium on the 1927 policy, and the Southern Surety must return the initial premium paid to it on the 1928 policy. This is because certain officials of the city had a pecuniary interest in the Southern Surety.

The decision was given in an injunction suit brought by H. E. Welbourne, West Allis taxpayer, against Southern Surety, Henry G. Meigs and Arthur B. Cope, general agents for the company here, Mr. Meigs, Mayor Delbert Miller and C. W. Velser, agents for Southern Surety at West Allis, and the city of West Allis.

Suit Result of Politics

The suit was an outgrowth of the election fights in West Allis last spring, during which the opposition candidate to Mayor Miller charged that the mayor and Mr. Meigs and Mr. Velser, who were members of the police and fire commission, were interested in writing city insurance policies. The Southern Surety brought a damage suit for \$100,000 against Mr. Welbourne and several others, including competing insurance agents, on charges of conspiracy to injure its business, and Welbourne retaliated with the injunction suit.

The Southern Surety must refund \$3,935, the initial premium on the 1928 policy which has been paid, less \$3,50 which it has paid for medical expenses on one case. Judge Aarons also indicated that the balance of the 1927 compensation need not be paid by the city, but that the Southern Surety need not refund the initial premium on the 1927 policy because it has paid out sums under the policy for compensation and medical expenses and that there are claims still open.

Decision Far-Reaching

The decision is far-reaching in that it regards any contract made by a municipality with a company in which a public official has received any commission or benefit, direct or indirect, from the contract, and whether the contract has been made by some department other than the one with which the public official is connected.

cause of the many newcomers, still the territory can be developed still further to great advantage. The casualty and surety end of the business has become very alluring. When the officials see the great success that casualty companies have made in recent years and the enormous business that has been developed, it has not been difficult to attract new capital. The casualty and surety business is growing by leaps and bounds and is outdistancing the fire end.

AUTOMOBILE ABUSES ARE POINTED OUT

Commissioner Monk of Massachusetts Declares Rates May Be Increased

FALSE CLAIMS MADE

Insurance Department Head Says Ambulance Chasing Has Become More Prevalent in Recent Months

BOSTON, July 18.—Two important orders were issued to automobile writing companies in Massachusetts by Commissioner Monk this week, one prohibiting the writing of "confiscation" insurance and the other holding all companies to manual property damage rates.

The first applied to certain contracts guaranteeing owners against loss from confiscation for violation of the prohibition and other laws. Mr. Monk ruled this out as altogether uninsurable. The other applies to certain offices that were reported to be cutting property damage rates as an inducement for liability business. Liability rates are ironclad under the law and cannot be cut but there was no specific ruling on the property damage part of the contract. Mr. Monk now orders all companies to abide by the manual on this coverage.

BOSTON, July 18.—A stiff advance in compulsory automobile liability insurance rates in Massachusetts for next year is implied, many believe, in the announcements and interviews given by Commissioner Wesley E. Monk the past few days. Commissioner Monk has the making of the rates and he must announce the schedule for next year before Sept. 1.

Within the past few days Commissioner Monk publicly stated that "for every dollar that insurance companies collect in Chelsea, Mass., they have to pay out \$1.75 in damage claims resulting from accidents of their assureds. I do not know what the rates in Chelsea will be next year, but they may be so high that no one in the city will be able to own an automobile."

Ambulance Chasing

Yesterday the commissioner was quoted at length on the rapidly increasing business of "ambulance chasing" under the compulsory law. The commissioner stated that it had been found that one lawyer had conducted 408 accident cases; another had handled 359, another 348 and none of some 15 lawyers he had in mind had handled less than 95 automobile accident cases in the past year. In many cases the lawyers have handled the cases without the assureds knowing of the fact or that suit had been brought. It has come to be a common occurrence for a certain class of lawyers to present personal injury claims where there is property damage only and no insurance for the latter is carried. It is impossible for lawyers to have charge of so many cases of the same sort without employing "run-

(CONTINUED ON PAGE 38)

EXPLANATION OF CANADIAN COMPANY'S FAILURE MADE**GUARANTEES CAUSE TROUBLE**

Chairman of Gresham Fire & Accident Tells Why Dominion Carrier Goes Into Liquidation

In his address at the annual meeting of the Gresham Fire & Accident of London, the chairman of that company presented a report in which he explained the failure of the Dominion Gresham Guarantee & Casualty of Montreal, which was owned by the Gresham Fire & Accident. In part the report is as follows:

"At this time last year we had every reason to believe that the business of the Dominion Gresham Guarantee & Casualty was progressing on ordinary lines, as shown by the monthly statements of business transactions regularly forwarded to us.

Guarantees Mortgages

"Early in the present year claims were made against the Dominion company which revealed to us for the first time that that company had issued bonds guaranteeing mortgages in connection with a number of real estate ventures. It transpired that certain of these latter undertakings had been unable to meet their obligations, and that the Dominion company had been called on under its bonds to finance large repayments of principal falling due on various dates in the present year.

"The commitments to which I have referred, both as to their undesirable character and their extent, were such as should never have been undertaken by any insurance company, and I need hardly say that the officer of the Dominion company who was responsible for the acceptance of these risks ceased to hold any position in the service of the company.

Government Serves Writs

"At this juncture writs were served upon the Dominion company by the Canadian government in respect of a number of surety bonds which had been issued from time to time by that company guaranteeing the due delivery at certain foreign ports of liquor exported from bond. These surety bonds had indeed been previously discharged by the Canadian customs authorities and canceled, but non-fulfillment of the obligations of the exporters of the liquor as to landing at stipulated ports was alleged, and in consequence heavy penalties were demanded from the guarantors. These actions have not yet been heard.

"Suffice it to say that in all these circumstances the directors of the dominion company found that it was not possible to continue to carry on business, having regard to the interests of the policyholders, and on May 30, 1928, they presented a petition to the Canadian courts for the winding up of the company, which petition was granted."

PLANS FOR NEW COMPANY BEING FORMULATED

PHILADELPHIA, July 18.—The Insurance Company of North America, which is putting a new casualty company in the field, has not definitely decided on the name of Alliance Indemnity Company. The Alliance is a running mate of the North America. The new company will have \$1,000,000 capital and a like amount of surplus. It will probably be ready for business this fall. Charles F. Frizzell, vice-president and general manager of the Indemnity Insurance Company of North America, will have the same post in the new company. Outside the fact that the North America has decided to start a new company, Mr. Frizzell says there is nothing more to say.

MASSACHUSETTS AGENTS SEEK MORE COMMISSION**BROKERS ALSO ARE AFFECTED**

Conference With Commissioner Will Be Sought—General Agency Overriding May Go to 10 Percent

Agents and brokers of Massachusetts may be allowed more liberal compensation under the compulsory automobile liability insurance law as a result of a meeting held recently between members of the National Agency Committee of Conference on Acquisition and Field Supervision Cost of the National Bureau of Casualty & Surety Underwriters and members of the Boston Association of Casualty Insurance Agents and the Insurance Brokers Association of Massachusetts. A committee representing companies, general agents and brokers is to work in the interests of a conference with the insurance commissioner before the promulgation of rates by the department for 1929.

J. M. Haines of the London Guarantee & Accident presided as chairman of the meeting. H. P. Stellwagen, secretary and treasurer of the National Bureau, acted as secretary. A. A. Lawson of John C. Paige & Co., president of the Boston Association of General Agents, presented the case for the general agents and Harry A. Stevens, president of the Insurance Brokers Association of Massachusetts, presented the case for the brokers.

Seven Companies Send Representatives

Among the company representatives were: Messrs. Knapp, Burke and Mooney, Aetna Life; Messrs. Shinn & Moore, Constitution Indemnity; and representatives of the Fidelity & Casualty, Independence Indemnity, Maryland Casualty, Massachusetts Bonding and New York Casualty.

At present the general agency commission for the line of business at issue is 17.2 in Massachusetts. It is expected an effort will be made to obtain an increase in general agency commissions to allow for an overriding commission of 10 percent. The gross commission, including brokerage, for a general agency would be brought to 20 percent. It is expected that a general revision upward will be made in premium rates for the coming year.

The general agents maintain that they cannot handle the compulsory liability insurance except at a loss under the present allowance of 7.2 percent while the agents and brokers are dissatisfied with the 10 percent commission.

It is stated that the company representatives gave assurances to the general agents and brokers that they would give their moral support to arguments for higher commissions before Commissioner of Insurance Wesley E. Monk, who has the authority to determine the acquisition cost.

Four separate committees, representing the companies, the general agents, local agents and brokers, will shortly be appointed, it was announced, and these committees will endeavor to arrange for a conference with Commissioner Monk some time during the present month to put forward the claims for a higher rate of commission in the compulsory automobile liability business.

Illinois Motor Casualty Figures

The Illinois Motor Casualty of Springfield has made considerable advance since the first of the year. Its total assets July 1 are \$569,788 as compared with \$501,734 Jan. 1. Its surplus to policyholders is \$389,283 as compared with \$354,218. The net premiums for the first six months of this year are \$211,783 as compared with \$186,469 during the same period last year. Its net losses for the first six months are \$63,514 as compared with \$65,057 the year previous.

ANOTHER EFFORT FOR SURETY PEACE PLANNED**MEETING SCHEDULED IN EAST**

Chicago Surety Men Grow More Pessimistic as Proposed Solutions to Problem Are Shelved

An effort is now being made to hold a meeting of the National agency committee of the fidelity and surety acquisition cost conference in New York City July 27 to take up the Chicago situation. It seems that a number of offices have not signed the pledge. The local association at Chicago is not able to move, because there are not sufficient signatures at headquarters to warrant anything being done. It was thought that Chicago had been pretty well adjusted at the time the sub-committee visited the city. It seems now that some companies object to excess general agents on the part of certain companies that made a play for an expanded business. This evidently is the crucial issue.

Some among the Chicago surety men have ceased to consider seriously any attempts made at establishing better conditions in the Chicago field, pointing out that although home office and field men have given thought to the matter for the last six to 10 years, conditions are now about as they have been during those years.

Pessimism Grows

It is adduced as a further argument against the likelihood of good results that although some company officials do not favor the plan recently offered by the Surety Underwriters Association of Chicago, no workable counter plan has been offered by anyone and that any such other plan probably would be found as unacceptable to some of the companies as is the current plan. One of the newest of the counter plans proposed is to the effect that the Chicago situation could be improved if an arbitrator were appointed with powers not only to enforce rules, but to make the rules that are to be enforced. This plan, however, like all the others, would need the sanction of a large majority of the companies, and whether such sanction could be obtained becomes a large question when it is remembered that the plan at present awaiting approval was first offered last November and seems no nearer its effective date than it seemed when it was first offered.

No Rules Best Rules, Belief

It is the belief of many in the surety business that the business would go along as well for most of the companies without a set of rules as it would go under a set of rules. In fact it is progressing in Chicago without the aid of rules, and probably would continue to progress if all thought of rules were given over. In spite of the fact that some offices currently pay more than others for business, none of the offices operating in Chicago shows any indication of closing for lack of business. Companies, it is pointed out, are operated for profit, and since so few of them discontinue business comparatively to the number that comes into the field each year, the business of all of them must be showing some profit.

Despite all past disappointments, though, the surety men of Chicago are eager to know what shall result from the July 27 meeting to be held in New York, and are hopeful either that the rules offered be adopted, that a practicable set of counter rules be offered, or that all rules and all thought of rules be discarded and the business be permitted to proceed honestly on the "no-rule" basis.

The Inland Casualty, Hamilton, O.; Pennsylvania Surety Corporation, Pittsburgh, and Transportation Indemnity, New York, have been licensed in Indiana.

FINNEGAN BECOMES SOLE CHICAGO MANAGER**SLIPNER WILL BE A BROKER**

Metropolitan Casualty Announces Dis-solution of the Former Partnership in the Western City

The partnership of Slipner & Finnegan, managers of the Metropolitan Casualty branch office at Chicago, has been dissolved. Mr. Slipner will enter the insurance brokerage field on his own account. He was associated with the Metropolitan Casualty for 35 years. He started at the home office in New York in October, 1893, when it was the Metropolitan Plate Glass and wrote plate glass insurance exclusively. He passed up through various stations in the office until he became assistant cashier. In May, 1915, he was sent to Chicago to manage the company's office.

Mr. Slipner decided he wanted to build up his own business and hence resigned from the managerial firm. He will continue to office with the Metropolitan Casualty. He and Mr. Finnegan have been close personal friends for years.

On March 1, 1916, E. B. Finnegan, who had known Mr. Slipner for many years, retired from the Globe Indemnity service to join him in forming a general agency to represent the Metropolitan Plate Glass. They built up a very large glass business. They cultivated the field assiduously, forming many connections. In 1924 the Metropolitan Casualty branched out as a multiple line company and a branch office was established with the firm in charge.

Mr. Slipner will take a vacation through the northwest and Canada and open this new office Oct. 1 adjoining the Metropolitan Casualty on the 15th floor of the Insurance Exchange South. Mr. Finnegan also had his start with the Metropolitan Casualty home office, starting as an office boy. He later joined the Globe Indemnity but retired to go with his old company. He is regarded as one of the top-liners in the casualty field. President J. Scofield Rowe and Vice-President J. C. Heyer were in Chicago last week arranging for the new plans. They went on to Milwaukee, where the company has established a branch office under the management of H. D. Plimpton.

EDISON INDUSTRIES TAKE GROUP INSURANCE POLICY

The Thomas A. Edison Industries have obtained for their employees a plan of group insurance which provides for death and also non-occupational accident and sickness payments. The insurance is available to all employees, regardless of age or sex.

The amount of insurance varies according to weekly wage, the maximum offered being \$5,000. The Thomas A. Edison Industries are contributing toward the payment of premiums. Premiums are made by which new employees may obtain the protection accorded those already insured.

With the exception of a few locations, all the insurance was written by the Travelers. The Travelers has 1,800 employees insured for \$1,800,000 under the life plan, and 1,230 under the accident and sickness plan.

Capital Increase Completed

Increase of the capital of the New York Casualty from \$1,000,000 to \$1,500,000 has been completed. All of the money has been paid in. The increase was provided for by an increase of the outstanding shares from 40,000 at \$25 par value to 60,000 at \$25 par value. The additional 20,000 shares were issued at \$75 a share, of which \$25 went to capital and \$50 to surplus.

ILLNESS STATISTICS SHOW BIG A. & H. FIELD

Dr. Folks Presents Summary of Public Costs to International Meet

MARKET BARELY TAPPED

Health Claims Total But 2 Percent of Wage Loss—Accident Claims Not Much More

NEW YORK, July 18.—If any agent, in the flush of success or the throes of failure, entertains the feeling that he has exhausted the possibilities of his market for accident and health insurance, the report of Dr. Homer Folks of New York, presented to the International Conference on Social Work in Paris last week, should be cause for further consideration before casting into the discard the rate-book and application folio of this particular line. Dr. Folks presented some figures on the cost of illness in America which he cited as most conservative, even far more so than the figures recently given out by Dr. Louis I. Dublin of the Metropolitan Life. But these new figures, at their comparatively low mark, show that the underwriter has covered less than 2 percent of his market as far as actual wage losses are concerned and less than 1/6 of 1 percent as far as total disease cost is concerned.

Field Scarcely Scratched

Dr. Folks, who is secretary of the State Charities Aid Association of New York, made his report to the international body on the basis of costs and distributions in many states, localities and surveys and thus used a national composite picture. The result was an estimate of \$15,000,000,000 as the annual cost of disease in America and \$1,250,000,000 as the annual wage loss from illness in the United States. Some time ago Dr. Dublin had estimated the latter item at \$6,000,000,000, so that Dr. Folks' estimate is indeed conservative. Even on this basis, however, it is a startling figure for health insurance underwriters to study. The total payment of health insurance claims last year was not much more than \$25,000,000. This represents less than 2 percent of the wage loss and 1/6 of 1 percent of the total loss.

Huge Prospect List

Granted that these figures are correct, the agent who is using the accident and health policy as a premium producer has only started to tap his field. He still has from 98 to 99.84 percent of his prospects left on the prospect list. That is perhaps an exaggeration of the case, but it is true, as anyone studying the field can clearly see, that the holders of accident and health insurance policies are in the minority, definitely so the holders of health policies. As for accident business, the case is not much improved, though many carry accident policies without a health insurance provision. However, the annual cost of all accidents is at least \$4,000,000,000, so that on the same basis, the accident claim payments of not much over \$50,000,000 would represent still considerably less than 2 percent of the total cost. On the basis of wage losses alone, the case might be improved, though even there the claim payments would represent little over 4 percent.

Company head offices have long endeavored to show the agents that their field was without boundaries in this branch of business. The huge volume of business thus far produced has been

EASTERN OFFICIAL GIVES HIS VIEWS ON SOLVING PROBLEMS OF PLATE GLASS LINE

NEW YORK. To the Editor: I see from the pages of THE NATIONAL UNDERWRITER that there is considerable discussion regarding the plate glass situation at the present time and note that rates may be generally reduced. Will it not be an unmitigated evil? Experience shows as a general rule that the larger risks are the better risks, and while the smaller risks may not be so very, very bad, still they do give a higher loss ratio than the larger risks, and they certainly do cause a higher expense ratio. What the plate glass business needs is not a general reduction in rates. The present rates are certainly necessary for the smaller risks.

Perhaps the workmen's compensation experience might be followed by charging the loss and expense constants on the small risk. The companies would in all probability retain the small plate glass risks which they have on their books and for which the present rates probably are not too high even if they are high enough, but a general reduction of rate unless the reduction is so large as to render the plate glass business generally impossible, will not be sufficient to retain the larger risks. The companies writing "50-50" policies are not bothering about the \$10 or \$20 premium, nor are they cutting rates to any considerable extent on full coverage on such premiums. Those premiums can be left as they are without any injustice to the assured or to the company.

To reduce the small premiums will

be a very bad mistake. Of course the pathway of insurance is littered with bad mistakes made by committees of insurance men, the trouble with committees being that the result is usually a compromise embodying very often the defects of all the views but the virtues of none.

The future action of the plate glass companies would seem to be fairly plain and should consist of three major points: a. To leave the rates as they are. b. To adopt an experience rating plan for the larger risks which would enable the stock companies to retain them. c. The Bureau companies to adopt the "50-50" plan.

The latter may be illogical but it would appear necessary at this time to carry the law into the enemy's country. Plate glass business is a little different to the general run of business. It has practically no catastrophe hazard. By these means the stock companies would probably retain the small risks at the present rates. They would be able to compete for large risks or preserve those now on their books by means of an experience rating plan or by quoting on the "50-50" basis. Finally, the Bureau companies would show by actually fighting for their place in the sun that they deserve to remain a powerful factor in the plate glass business. No one sympathizes either with a human being or an insurance corporation lacking the nerve to protect their reasonable rights.

R. E. P.

GLENS FALLS INDEMNITY LEADERS ENTERTAINED

The officials of the Glens Falls Indemnity were hosts last week to agents qualified for the home office trip, there being 31 in the company. Fordyce J. Stanley, vice-president and general manager, was in charge. On Thursday evening of last week a banquet was given. On Friday afternoon the men played golf and the wives who accompanied their husbands were given a motor trip through the lower Adirondacks. Friday evening all the visitors were guests at the dinner at the country club when the golf prizes and other awards were given. On Saturday a trip was taken through Lake George. A clam bake was the feature at the summer home of Mr. Stanley. The guests were then taken on a moonlight trip on the lake. The official welcome was extended by President E. W. West. Mr. Stanley presided at the banquet.

phenomenal in development, yet the available business has scarcely been scratched. It is now the largest casualty division, but its possibilities are almost beyond vision. The other casualty headliners, such as compensation and liability, although not at the saturation point, have not the possibilities of future growth that is evident in the accident and health business and the agents who intensively cultivate this field can reap their harvest with the freedom of the early pioneers in the open prairies.

Two Managers Named

Ernest E. Ehlers, formerly assistant manager, casualty lines, in the Montreal office of the Travelers, has been promoted to manager. Mr. Ehlers has been connected with the Travelers since 1915 and has served in the home office and the Chicago and Detroit offices.

Joseph E. Hasselwander, formerly field assistant in the Rochester office, has been appointed assistant manager, casualty lines, in that office. Mr. Hasselwander has been in the service of the Travelers since March 30, 1925, at which time he was assigned to Rochester as field assistant, casualty lines.

PAY-R CORPORATION METHODS AND PLANS

Company Sells Automobile Public Liability, Property Damage Coverage on Weekly-Pay Basis

SYSTEM IS SUCCESSFUL

Heads of Organization Regulate Debts Carefully and Conduct Affairs with Close Attention to Details

Recent announcement that the Pay-R Corporation of Cincinnati was selling automobile liability and property damage insurance on the weekly payment plan caused considerable excitement and comment. Inquiries concerning operation of the plan have been reaching THE NATIONAL UNDERWRITER and the Cincinnati company. The following is an account of the plan and the operation of the company:

The Pay-R Corporation was organized early in 1926 by St. Clair Bevis. Mr. Bevis says that the small number of persons carrying liability insurance in comparison to the great number of automobiles owned, the fact that most of the uninsured were working people and that these people were accustomed to buying insurance on the industrial plan, led him to believe that there was a field for the weekly industrial automobile liability and property damage policy.

Insurance Recognized Necessity

Mr. Bevis had observed also that in the 10 years from 1916 to 1926 people generally were recognizing the desirability, almost the necessity of liability insurance. Moreover, he found in his special agency work that when working people were sold insurance, the agent had to spend so much time collecting from his clients that he did not use sufficient time for selling. Agents were accepting many notes, showing the possibility of installment payment plan success.

Before interesting capitalists in the plan, the idea was tested out. Policies bought on the yearly plan were re-sold on the weekly plan, and it was established that the selling could be done.

Parallel in Life Field

The plan of selling parallels closely that of industrial life offices. The agency force is handled in much the same way. Sales training is an important factor. Solicitors are employed on salary plus commissions and are closely supervised. Without close supervision the plan is not successful. Compensation of solicitors ranges much the same as in an industrial life office, both in amounts and extent, the best men making twice as much as an average solicitor.

The Cincinnati office of the Pay-R Corporation now collects a weekly debit of approximately \$1,300, including some annual business. The records show that 84 percent of the weekly payment policies and 63 percent of the yearly pay policies are renewed. The contract sold by the corporation is as broad as or broader than the standard policies sold by the leading companies. The premium is paid for by the subscriber weekly, the average weekly payment being about 90 cents.

Debits Regularly Inspected

The policies are written with \$5,000-\$10,000 liability and \$1,000 property damage coverage. No colored risks and no liquor traders are insured, an assistant superintendent carefully inspecting

(CONTINUED ON PAGE 44)

SOUTHERN SURETY OF NEW YORK IS WRITING

BEGINS WITH \$2,500,000 CAPITAL

Charles S. Cobb Is President of New Company and E. G. Davis Is Secretary of New Carrier

The Southern Surety of New York has received its license from the New York department. The company starts with total assets of \$3,900,000. Its capital is \$2,500,000 and its net surplus \$1,400,000. The company issued 250,000 shares of stock at \$10 par value which sold at \$15.60 a share. The entire issue was taken by Kidder, Peabody & Co., New York bankers.

Charles S. Cobb is president of the Southern Surety of New York and E. G. Davis is secretary. These men are president and secretary, respectively, of the Southern Surety of Des Moines, Iowa.

It is understood that the Southern Surety of New York will take over the Southern Surety of Iowa and will succeed to its business and agency organization. It is presumed that if these plans are effected the Southern Surety of Iowa, which has been in business since 1918, will be liquidated. In 1927 the Southern Surety of Iowa had total assets of \$8,857,801. Its capital was \$1,200,000 and its net surplus \$1,409,038.

AUTOMOBILE ABUSES ARE POINTED OUT

(CONTINUED FROM PAGE 35)

ners" and the state provides a penalty for conducting legal business in such a manner. The commissioner stated that some 15 lawyers were slated for disbarment and about a score more might be suspended when the matter was taken up by the bar association.

Other interviews with the commissioner appeared in which attention is centered on "false claims for motor hurts fostered by legal ring." The commissioner states that as a lawyer he is obliged to uphold the honor of the legal profession by bringing to light corrupt and dishonest conduct in the profession and as commissioner charged with the making of rates he is interested in protecting the great mass of policyholders who are obliged to pay advanced insurance rates as a direct result of illegal practices among a group of unscrupulous lay persons and lawyers.

Claim for Personal Injury

Commissioner Monk says: "I am credibly informed that in about 75 percent of those cases where there is no property damage insurance and such damage is appreciable, the driver makes a claim for personal injuries and if there are occupants in the car other than the driver, then in about 90 percent of those cases claims for personal injuries are made for the occupants, although none exists and it is very noticeable that where there is property damage insurance the percentage of claims for personal injuries falls off."

The commissioner declares emphatically that the practice of making such claims is "fraudulent and dishonest—it is crooked," and he says without hesitation that the lawyers are to blame in most of the cases for the situation.

Commissioner Monk emphasizes the fact that the motor car owners will "be compelled to pay rates which will be higher than they otherwise would be compelled to pay if the rates should be based upon personal injury experience alone," and "it is therefore clear that not only are these practices a fraud upon the insurance companies, but they are also a fraud upon the motor vehicle owners." The commissioner states that legislation is now being planned which will end the opportunity of either claimants or lawyers from pursuing this fraudulent practice.

FIDELITY & DEPOSIT'S NEW SERVICE BUREAU

IS OPENED IN WASHINGTON

L. C. Rosenkranz Formerly in Charge of Branch Office There, Is Appointed Manager

BALTIMORE, July 18.—L. C. Rosenkranz has been appointed manager of the Washington service bureau of the Fidelity & Deposit. The bureau, a newly created department of the company, will be run separate from the Washington branch office of which Mr. Rosenkranz was acting manager.

The purpose of the service bureau will be to supply the home and branch offices with advanced information on federal government contracts.

Mr. Rosenkranz will be succeeded as manager of the Washington branch by Howard Eales. Mr. Eales was assistant manager of the Charlotte, N. C., branch. A. C. McComb, who has been in training at the home office in Baltimore, will be sent to the Charlotte office. He was at one time affiliated with the Columbia, S. C., branch.

Marsden Goes East

W. S. Marsden, Chicago manager of the London & Lancashire Indemnity, has resigned to accept the general agency of the company at Pittsfield, Mass. He is a native of Massachusetts. He graduated from Trinity College in Hartford in 1913. He started with the Travelers, remaining until 1922. He then joined the London Lancashire Indemnity, being successively special agent, assistant manager and manager of the Chicago office.

Henry W. Gray, president, and J. J. Gobbie, vice-president of the London & Lancashire Indemnity, were in Chicago this week and announced that J. J. Mullins, who has been assistant manager in Chicago, will act as manager pending a definite managerial appointment.

American Surety Figures

Increased earnings from premiums are shown in the half year figures given out by the American Surety. The company received premiums of \$5,517,271 in the half year, total income being \$6,102,303. Expenses deducted left a net of \$1,556,215 and reserves and dividends deducted left \$572,291 to be added to surplus as a result of the six months operation.

May Enter New York

The Central Surety of Kansas City is making inquiry as to entry into New York. The company, now with capital of \$500,000 and surplus of \$600,000, is planning to increase its capital to \$1,000,000.

W. M. Walker Advanced

William M. Walker has been named regional vice-president of the Fidelity & Deposit at Los Angeles in charge of southern California, succeeding H. D. Vandever, who recently went with the National Surety. Mr. Walker has been manager at Los Angeles and is succeeded in that post by Floyd E. Briskeen of that office.

Theft Losses Decreased

NEW YORK, July 18.—E. A. St John, president of the National Surety, reports that theft insurance losses have shown a decrease the first half of this year. His company reported 12 fewer losses and \$800 less paid out in New York. He attributes the improvement to increased vigilance and the operation of the Baumes law, though he added that the full test of the latter will come in 1929, when if the old cyclic order of burglary losses were to be normal, there should be an increase. Mr. St John stated that prior to the Baumes law thefts seemed to come in three-year cycles.

NEED NOT FILE RATES WITH NEW BUREAU

TENTATIVE DECISION GIVEN

Virginia State Corporation Commission Seeks to Arrive at Proper Definition of "Indemnity"

RICHMOND, VA., July 18.—Companies writing fidelity, indemnity, surety and guaranty lines embodied in provisions of chapter 449 of the legislative acts of 1922 and those writing workmen's compensation insurance, which is embodied within the provisions of chapter 445 of the same acts, are not required to file rates with the new Virginia Insurance Rating Bureau, according to a tentative decision given this week by the Virginia State Corporation Commission, with the reservation that if the term "indemnity" does not include other lines such as automobile liability, plate glass, burglary and the like, these may come under the provisions of the rating bureau law, which is designated as chapter 433 in the acts of the assembly.

Counsel for casualty companies who argued against a proposal to bring them under the rating bureau were given until Aug. 1 to file briefs on the question of interpretation of the meaning of the term "indemnity."

The commission deemed it best to withhold the entering of a final order on the general points at issue until this question could be threshed out. The commission did decide definitely, however, that health and accident lines were specifically precluded under section 4315 of the code from the provisions of the rating act. The contention applicable only to companies writing fire and kindred lines.

Bolton Leaves Good Impression

J. W. Bolton, who has become manager of the Georgia Casualty in Chicago, has had an interesting career in insurance. He was connected with the American Mutual Liability, being stationed at Charlotte, N. C., Birmingham, Ala., and also was in Tennessee for a while. George W. Powell, vice-president of the Georgia Casualty, was at one time at the head office of the American Mutual Liability and Mr. Bolton was associated with him in the organization. Mr. Bolton is a man of dynamic personality who has made a good impression wherever he has gone. At one time he was associated with a Philadelphia insurance firm and for a while was located at Pittsburgh.

Blackwell on Business Trip West

C. C. Blackwell of Blackwell & Douglass, Chicago, western managers of the Constitution Indemnity, has gone to Colorado to enter his company actively among the carriers operating in the state. The Constitution Indemnity recently received its Colorado license. While Mr. Blackwell is in Colorado he will make an automobile trip from Denver to Yellowstone Park with his brother Gordon, who is an insurance and investment man of Denver. On the way to Colorado Mr. Blackwell visited a number of Iowa agents, and while in Colorado he will visit his established agents there and make a number of new appointments.

Hudson Opens in Philadelphia

A service office of the Hudson Casualty of Jersey City has been opened in the Drexel building in Philadelphia. F. E. B. Scott, resident vice-president in charge of production for Pennsylvania, is at the head of the office. Mr. Scott formerly was with the Philadelphia branch of the Norwich Union Indemnity.

William C. Krumrey has been appointed assistant secretary in charge of all underwriting in the home office of the Hudson. H. W. Goll has been promoted to the position of assistant treasurer. William F. Poole, formerly with the Glens Falls Indemnity, is now chief statistician of the company.

AGENTS HAVE TROUBLE EXPLAINING NEW CHARGE

SMALL COMPENSATION RISKS

Criticism Is Only of Method of Applying Loading, Not of Loading Itself, Field Men Say

Although companies writing workers' compensation are well enough pleased to apply the \$10 expense constant to small risks, representatives of some of the companies report that agents and brokers are having difficulty explaining to prospects and clients the reasons for applying the charge. By far the majority of compensation risks are affected, as the expense constant applies on each line that develops a premium of less than \$300. A part only of the \$10 is charged when the premium is between \$290 and \$300.

On the large and high-rated risks, those that develop a large premium at all times, the difficulties of adding the expense constant are not so great as they are found to be on the small risk. But agents and brokers say they find it almost impossible to explain to a client who has been paying, say \$35, that beginning immediately he must pay that and \$10 more and keep smiling.

Method Is Criticized

The criticism is not of the expense constant but of the method of applying and collecting it. It is believed by some field men that since most compensation insurance buyers already had been accustomed to rate increases the companies could have obtained with less friction between agents and assured the same results as will be obtained through application of the expense constant in its present form. The very large risks are not affected, as a rate reduction has been made on lines developing more than \$300 premiums.

In general, small premium risks are those on which the companies have lost money, partly through losses and partly because of high servicing costs. Some companies have had disastrous experience on large risks also, and the loss on compensation business in its entirety has been steady. The system of excluding the experience of any given last 18 months from the computations made to obtain rating information is still troublesome because of the rapid and often radical changes in working methods in business and industry.

Typical Case Cited

An example of what may happen when industrial methods change came to light in Chicago some time ago. An important excavating contractor developed a method of sinking caissons in such manner that a better job for the building owner resulted, but the method resulted in the loss of life for a number of caisson workers. The company carrying the excavator's compensation carried it at a rate of less than \$2 until experience for change of rate on the line could be included with other experience for rating purposes. Then experience showed that the charge for the coverage was altogether too low, and the rate on the line is now almost \$8.

Some companies are cutting their compensation writings to the ultimate low limit, but all honest thinkers of the insurance business admit that canceling an individual line or a given kind of coverage does not solve the problems presented. Careful men know that legislators the country over are never slow to launch states on the insurance sea, and that each of these launchings has the effect of further popularizing the state fund idea. However, companies probably will continue to curtail their compensation writings until some genius of the business develops a method that will allow companies to write the

line freely and still make a reasonable profit on it.

Would Collect Without Pretense

Other company men say that although some of the field men report difficulty explaining the reasons for the charge and justice of it, they expect their troubles all will arrive at once, and that after assureds become accustomed to the expense constant, no more trouble will occur. These men give it as their opinion that since the charge is justified, and since its addition in any manner to the regular rate of premium would entail much labor and would add another item to cost for companies writing the line, the best and most logical manner of collecting the expense constant is to add the cost without pretense to the cost of the coverage and collect it. It is the belief of many that some business will go to the mutuals as a result of the addition of the expense charge. But stock company men say that the only sufferers from this event will be the mutuals.

U. S. Casualty Appointments

NEW YORK, July 18.—The United States Casualty has appointed Frank J. Coutre of Downers Grove its district supervisor for Illinois, and has named the Camden Fire Agency of Camden as general agent for southern New Jersey. Mr. Coutre was previously associated with the Metropolitan Casualty and later with the Globe Indemnity, and is well known in casualty circles throughout Illinois. The Camden Fire Agency is closely allied with the Camden Fire and will have the benefit of the extended influence of the latter corporation in its pursuit of desirable business.

Open New General Agency

Recognizing the growing uptown business in New York, the Fidelity & Deposit has opened a new Manhattan general agency, having named Stewart, Will & Connell, 11 West 42nd street, in that capacity. The partners in the new general agency are Fred D. Stewart, George W. Will and William B. Connell, all of whom have been active in the downtown general agency. Albert F. Howard, also with the downtown office, has been named manager of the new office. Mr. Howard is an alumnus of Princeton, famous as "Red" Howard of the gridiron on the "Team of Destiny." The new office will handle fidelity, surety and burglary business and is equipped for brokerage business, which is developing rapidly in the uptown district.

Directory of Insurance Attorneys

A revised and enlarged edition of "The Insurance Bar" has just been published. Besides a carefully compiled directory of experienced insurance counsel with data concerning clientele, etc., it contains about 475 pages of insurance law digests and leading case citations. It is published by the Bar List Publishing Co., Chicago, under the auspices of the International Claim Association.

Justice Was Done

The driver of the truck testified that he did not see the child until he was almost in front of his truck and that he did everything he could to avoid striking the child, but to no avail. The truck was stopped before it had passed wholly over the body of the child, as the child was taken from underneath the rear part of the truck. The evidence preponderated rather strongly in favor of defendant as to how the accident occurred, and the court feels that the jury were wholly justified in returning a verdict for defendant, and that substantial justice has been done. Baglakian vs. Preston & Co., Superior Ct. R. I.

"Power of Attorney" Policy Up

AUSTIN, TEX., July 18.—Attorney General Pollard has been asked for an opinion whether under the Texas statutes an insurance company can write the power of attorney policy to protect motorists in traffic law violation cases. These policies authorize the motorist to sign the bond with the casualty company as surety and thus the automobile owner avoids being dragged into court before his trial.

It has been held in the past that the arresting officer in a traffic case cannot

drag the motorist into court at once but simply give him a citation and take the car number. This will probably be taken into consideration in passing on the policy before the attorney general.

Writing Aviation Liability

PHILADELPHIA, July 18.—The Indemnity of North America announces that it has entered the aviation insurance field. However, the company declared that it is writing but one coverage—liability—and will not accept business on any other aviation lines.

The company also announces that it has issued riders for accident policies now in force covering its policyholders in the event they are killed or injured in airplane accidents.

"Many of our policyholders may be riding in airplanes," said Charles F. Frizzell, vice-president and general manager, "but we do not know whether they are or not. So far we have not heard of any of them taking to the air."

Service Car Men Get Injunction

ST. LOUIS, July 18.—Circuit Judge Mix has issued a temporary injunction restraining city officials from enforcing the ordinance passed June 27, requiring operators of service cars to take out liability insurance for the protection of their patrons and other users of public streets. The injunction writ has been made returnable Aug. 2.

The petition was filed by counsel for

Spencer A. Rohlfing, a service car driver, who charges that the ordinance is discriminatory, as it applies only to service cars and exempts taxicabs and sightseeing busses. It is further contended that the fares fixed by the ordinance are unreasonably low and would not yield the owners of service cars a fair return on their investments.

Await Massachusetts Statistics

BALTIMORE, July 18.—Members of Governor Albert C. Ritchie's committee on the study of compulsory automobile insurance for Maryland believe that the statistics on the Massachusetts law which Commissioner Monk of that state promised to send here will not be available until fall. One member of the local committee, Joseph F. Matthai, head of the automobile department of the United States Fidelity & Guaranty, believes that the statistics will not be issued until the Massachusetts commissioner makes known his 1929 rates.

"Governor Ritchie's committee will not act until it hears from Mr. Monk," Mr. Matthai said. "Massachusetts is the only state with this compulsory auto law and Mr. Monk has promised to send us their statistics. As soon as we receive them the committee will meet."

Sectional Committees Meet

LOS ANGELES, July 18.—The northern and southern California sectional committees of the National Bureau of Casu-

alty & Surety Underwriters held their semi-annual meeting in Los Angeles last week, the purpose of the gathering being to review and discuss the work of the organization during the past six months and to dispose of a number of complaints which had been submitted for consideration. R. E. Laley of San Francisco, Pacific Coast manager for the bureau, conducted the meeting, which was attended by the following Los Angeles members: Leland Mann, representing the Aetna Life and affiliated companies; H. E. Charlton, New Amsterdam Casualty; Harold Gillespie, United States Fidelity & Guaranty, and M. E. Graham, Maryland Casualty. Members from San Francisco attending were: R. W. Forsyth, resident vice-president for the Indemnity of North America, and Daniel McPeak, joint manager for the Great American Indemnity.

Casualty Notes

License has been issued to the Great American Indemnity of New York in Oklahoma.

Bowden, Gazzam & Arnold of Seattle, Wash., have become Washington general agents for the United States Casualty.

Through an error last week it was stated that Paul J. Prodoehl had been named state agent for the American Casualty of Reading, Pa., for Maryland. Mr. Prodoehl was appointed agent for Baltimore and vicinity and not for the state.

General Agency Wanted

One of our clients, a stock Casualty Company—well rated and of high standing in its field, wishes to make a connection with a progressive general agency writing approximately \$100,000 worth of automobile premiums per year.

Our client is willing to make an excellent contract with an agency able to show a favorable loss experience. The agency securing this contract will be able to immediately increase its profits and greatly increase its volume.

Being well known in the field and the contract being an exceptional one, our client prefers not to make its name public.

All replies held strictly confidential.

. . . . Address Correspondence to

William H. Pool Company
626 South Clark Street, Chicago, Illinois

Our client's agents have been notified of this advertisement



REINSURANCE AND EXCESS COVERS

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**The Excess Insurance Company
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Head Office

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**FEDERAL SURETY CO.
HOME OFFICE DAVENPORT, IOWA**

CONTINGENT PROBLEM IS SOURCE OF WORRY

(CONTINUED FROM PAGE 3)

present cost should be divided proportionately among those agencies in a state showing a profit. But this is simply theoretical and ideal, as the agents would not accept a low flat commission, many of them indeed could not afford it; and the very few who are now in favor of the contingent plan desire it only because they hope in it to realize an increase in compensation, contending for a flat which would equal the present average acquisition cost of around 18 or 19 percent.

Would Make Agency Unit

"While the state has always and properly been in the smallest unit accepted by underwriters as a basis for averages, either in class or volume, the contingent plan seeks to make the agency the unit, which is absolutely unsound as it is conceivable that a company might, in a given unit as large as a state, have a loss ratio of over 100 percent (to which would have to be added 40 percent of expense) and yet with a single exception every one of its agents in the state receive a contingent commission—in other words, a division of the profits in a state where no profits for the company existed. It is also a fact easily to be demonstrated from analysis of actual figures of the National and other leading companies that irrespective of the general loss ratio, 80 to 85 percent of the agents would participate in this so-called division of profits on the contingent plan, and 70 to 80 percent of the premiums would be subject to such an impost."

As an offset to the primary objection offered to the contingent commission plan that an agent, seeing all hope of earning a contingent from any particular company in his office, because of losses sustained by it early in the year would swing his choice risks to the remaining companies in the agency, it has been urged that the record of the agency as a whole rather than that of any particular company represented therein be taken as the basis for computing contingents. As to this proposition Mr. Smith maintained that even were joint action of such character permitted by law, the agents would oppose it, while the accountancy cost would add materially to the general expense of field operations.

Locality Affects Agents

Local agents, save those located in the larger centers of population, do not have a sufficient spread of business to warrant the payment of a low flat and a high contingent commission, for a single loss might easily destroy their chance of earning a contingent, and they would find themselves at the end of the year with an income very much smaller than they would have received had they been paid the standard flat or graded commission.

It is customary to allow contingent commissions in the larger cities just as it is the universal practice to compensate general agents and territorial managers on a contingent as well as a flat commission basis. But in all such cases, the volume of income and the spread of business is such as to afford reasonable assurance that a contingent will be earned. If all fire companies were to pay contingent commissions in addition to a flat figure there would be no gain in sound underwriting, the only result being to increase to the companies the cost of doing business. A further objection offered to the contingent theory is that the local man might be inclined to enforce his notion of underwriting instead of that of his company, and would modify, or perhaps ignore, the regulations of the latter as to risk classifications and line limits, fearing that the acceptance of particular risks, even though the general experience of his company therewith were profitable, might jeopardize his contingent.

After the San Francisco conflagra-

tion of 1906 the fire companies paid out in losses millions of dollars. Had they in addition been called on to pay contingent commissions to their representatives in the other cities and towns of California, the great percentage of which yielded a profit during 1906, they would have been in a sorry plight.

The idea of contingent commission payments is understood to have been introduced into this country by the time still freely followed) on a modest salary plus a contingent basis, the contingent being predicted on three years' experience.

Never Favored in South

In the south the contingent idea never found favor. The early rule of the Southeastern Underwriters Association stipulated a flat 15 percent commission. Later the grade scale of 15, 20 and 25 percent was adopted, this being supplanted three years ago by a flat 20 percent arrangement. Throughout the western field the graded scale still obtains. The Union appointed a special committee to look into the question of contingent commissions nearly six years ago, but it never issued a formal report, its preliminary study of the matter evidently convincing of the impracticability of the plan. The Eastern Underwriters Association in its program for the excepted cities within its jurisdiction recognizes contingent commissions, predicated on an earned basis, while in New York City a contingent of 10 percent is allowed. In all of these centers, however, the spread of income is sufficiently large to warrant defining profits.

Liability Suits Settled

MILWAUKEE, July 18.—A public liability action, which is to be taken up as an argument for liability insurance by casualty men here, has been settled after more than two and one-half years of litigation. It is the suit of the Finkelstein family against the Majestic Realty Co., owner of the Majestic building on Wisconsin avenue, and Brant & Neilson, contractors, which grew out of the death of Abe Finkelstein, age 2, when a block of terra cotta fell from the 12th floor cornice of the Majestic building, Nov. 12, 1925. The settlement of the two suits amounted to \$8,800.

The Majestic Realty Company and Brant & Neilson now have a case pending in Wisconsin supreme court to determine who should pay damages in the case. The Majestic company contends that the contractors who were working on the building at the time are liable, and the contractors hold that the owners of the building should pay.

Auto Fatalities in Canada Increase

OTTAWA, ONT., July 18.—Deaths in Canada due to automobile accidents increased by over 42 percent last year. The number of deaths attributed to this cause was 884 as against 606 in 1926. Deaths from this cause were 9 per 100,000 population.

That the tourist traffic contributes to the death rate from automobile accidents appears to be borne out by a comparison of the death rates in the central provinces and British Columbia and those where this traffic is lighter. British Columbia had an automobile mortality of 13.4; Ontario, 12.1; Quebec, 9.7; New Brunswick, 5.8; Nova Scotia and Alberta, 5.7. Montreal was responsible for one-half the automobile deaths in the province, but Toronto's contribution was responsible for only 2.3 percent of the total.

From motor cars the mortality in the principal cities last year was as follows: Montreal 12.6, increase 55.6 percent; Toronto 8.7, increase 93.3 percent; Winnipeg 1.8, the same as the year before; Vancouver 3.4, increase 54 percent; Hamilton 2.3, increase 15 percent; Ottawa 1.7, increase 41.7 percent; London 8, increase 50 percent.

Discuss Compulsory Cover

SAN FRANCISCO, July 18.—Compulsory automobile insurance was the subject of a discussion at the annual convention of the Municipal Traffic League of California which opened a three-day meet in San Francisco today. The principal discussions at the conference centered around the adoption of a uniform traffic code by the 60 towns represented.

WORKMEN'S COMPENSATION

APPROVE EXPENSE CONSTANT

Oklahoma Insurance Board Rejects Change in Premium Formula Submitted by National Council

OKLAHOMA CITY, July 18.—Final action was taken Saturday by the state insurance board on the minimum rate schedule filed by the National Council on Workmen's Compensation. By a vote of two to one, what is known as "B 272" was approved by the board, Insurance Commissioner Read voting in the negative. This includes an expense constant of \$10 added where the annual premium is \$300 or less and a flat reduction in rates of 4 percent.

The board unanimously disapproved proposal "B 273," which involves changes in premium formula of 15 times the rate plus \$10.

In the first proposition it was contended in opposition to approving it that rates to the larger policyholders would be decreased but that it would have a tendency to increase those to the smaller ones.

Clarence W. Hobbs, representing the National Convention of Insurance Commissioners in matters coming before the National Council on Workmen's Compensation Insurance, attended the hearing.

Nebraska Commission Studying Laws

LINCOLN, NEB., July 18.—Chairman Good of the commission named by the governor on authority of the legislature, to revise the compensation law, says that a special study of the administration of labor laws is being made in order to decide whether to recommend the continuance of the one-man method of handling claims or whether a commission of three or possibly five shall be created. Considerable dissatisfaction has been expressed in the past both by employers and employees to the one-man plan as militating against uniformity of construction and results, but the committee is aware of the strong prejudice of voters and legislators against increasing the number of boards and commissions in state government. Secretary Callen of the commission is now in Wisconsin studying the laws of that state.

In labor circles it is intimated that an effort will be made to secure a substantial increase, possibly 50 percent, in the rates of compensation paid workers. There has been but little revision of these since the law was passed, before the war.

Attack Initiative Petition

DENVER, July 18.—Claiming that the initiative petition submitted to the secretary of state is improperly drawn, that dates, addressees, etc., are lacking, attorneys acting for certain industrial concerns have notified the secretary of state that the petition is unlawful and the amendment asked, placing before the voters in the November election a proposal for increased compensation awards, must not be submitted. The law provides that a hearing on this protest be held within 20 days.

File New Schedule in Nebraska

LINCOLN, NEB., July 18.—The new compensation schedule of the National Council has been filed in Nebraska. An "expense constant" of \$10 is now applicable to every risk where the premium is less than \$300. Insurance men say that under the liberal interpretation of the law, both as to awards for the workers and the payment of surgeon, doctor and hospital bills, made by the Nebraska commissioner and the courts, business in this state as a whole has been handled at a loss, in spite of the fact that the old rates were higher. The new schedule is filed in an effort to reduce the loss to the minimum. The commissioner says the increase will fall heaviest on the small employers who can not afford to carry their own risks, because many of the larger corporation in the state have qualified as self-insurers.

LARGE LOSSES DUE TO RATE

University Instructor Says Compensation Insurance Is Cheaper Than Installing Safety Devices

WHITEHALL, MICH., July 18.—Large losses in workmen's compensation lines are probably attributable, in part, to the reasonable rates insurance companies collect for the coverage, according to Dr. Edison L. Bowers, instructor in social insurance and industrial relations at Ohio State University, who addressed the Community Safety Council institute, conducted here each summer.

Dr. Bowers' deduction was based on the fact that employers are not forced by excessive compensation premiums to adopt the expensive but most effective safety devices available and that, because industrial injuries are looked upon as an economic factor in production costs rather than a humanitarian subject, many factory managements "get by" with a minimum of protective devices, allowing their insurance carriers to "pay the shot."

North Dakota Fund Hard Hit

BISMARCK, N. D., July 18.—Although the workmen's compensation bureau has been hit harder this year than for several previous years, the cause was a large number of "average" accidents rather than death claims, S. S. MacDonald, director of the bureau, said. Deaths in the mining industry, the biggest item covered by the compensation bureau, were comparatively few. However, a large number of smaller accidents which confined workers to hospitals for three or four months resulted in a higher insurance rate for the mine workers.

Issue Aircraft Rates in Texas

AUSTIN, TEX., July 18.—Recognizing aircraft operations in Texas as an industry the Board of Insurance Commissioners promulgated rates for employees connected with such operations, effective Aug. 1. Rates for insurance in connection with the handling and reconditioning of oil well machinery and supplies were also approved.

A minimum premium rate of \$40 was set for aircraft terminal operations to cover employees such as non-flying mechanics, hangar and field employees, while minimum premium rates of \$287 and \$453 have been promulgated for premiums with a manual rate of \$11 and \$17 respectively. In this form of insurance a change was made from the per capita basis to payroll in determining the rate.

Consider New Forms in Texas

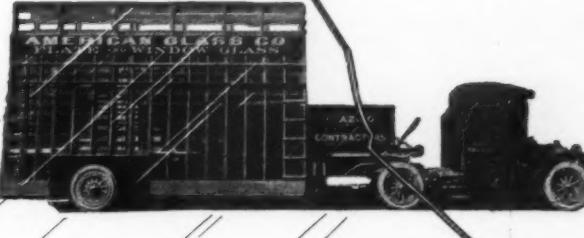
AUSTIN, TEX., July 18.—The Board of Insurance Commissioners has called a hearing to be held in Austin Aug. 28 to consider the endorsement of two forms of workmen's compensation insurance not now in general use.

The two forms include writing of insurance to cover men working under a "straw boss," and also for covering plants operated by one corporation in different cities, in which full liability is assumed by more than one company with the premiums divided between them.

Was in City's Employ

Petitioner's husband was killed while engaged in the construction of a third-class highway in the city of Belfast. The associate legal member of the Industrial Accident Commission found that deceased, when killed, was in the employ of the city of Belfast, and that his injuries arose out of and in the course of his employment. The city appealed from the decree based on this finding, upon the ground that the deceased was not an employee of the city of Belfast but of the state of Maine. Held, that the appeal can not be sustained. Not only was deceased in fact hired and paid by the city of Belfast, but the work of construction of the third-class highway in question, so far as the record in the case shows, was properly being done by the city—Tuttle's Case, Sup. Jud. Ct., Me.

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EXCESS INSURANCE DECISION

Construction of Clause Providing for Application of Policy After All Other Indemnity Is Exhausted

Excess Insurance. Construction of Clause Providing for Application of Policy Only After All Other Insurance "Shall Have Been Exhausted." This litigation arose upon a policy of burglary insurance issued by the defendant to the plaintiff in the sum of \$5,000. The policy contained an endorsement which provided that the policy was issued "as excess and not contributing insurance and shall apply and cover only after all other insurance herein referred to shall have been exhausted in the payment of claims to the full amount of the expressed limits of such other insurance." Plaintiff had three other policies at the time of the alleged burglary amounting to \$15,000, but settled his claims upon these policies for \$6,000. Because of such settlement for less than the face amount of these policies, the trial court had held that they had not been "exhausted in the payment of claims to the full amount of the expressed limits of such other insurance," and without receiving proof of loss, had dismissed the complaint and directed judgment for defendant.

Held, that judgment must be reversed. The plaintiff should have been allowed to prove the amount of his loss and if that loss was greater than the amount of the expressed limits of the primary insurance, he was entitled to recover the excess to the extent of the policy in suit. The construction of the policy by the trial court, that it was necessary for the plaintiff actually to collect the full amount of the policies for \$15,000 in order to "exhaust" that insurance, was unnecessarily stringent. Nothing was said about the "collection" of the full amount of the primary insurance. The clause provided that it be "exhausted in the payment of claims to the full amount of the expressed limits." The claims are paid to the full amount of the policies if they are settled and discharged and the primary insurance is thereby exhausted. There was no need of interpreting the word "payment" as only relating to payment in cash. It is often used as meaning the satisfaction of a claim by compromise, or in other ways. To render the policy in suit applicable, claims had to be and were satisfied and paid to the full limit of the primary policies. Only such portion of the loss as exceeded not the cash settlement, but the limits of these policies was covered by the excess policy. *Zeig vs. Massachusetts Bonding, U. S. Circuit Court of Appeals (2nd Circuit).*

Reversed for Lack of Notice

PIERRE, S. D., July 18.—Holding that there was lack of proper notice to the

company, a reversal of the lower court was ordered by the supreme court of this state in the case of Ray S. Brooks vs. Fidelity & Deposit in a theft insurance case. Brooks gave notice of theft to the local agent, and one Sullivan appeared, alleging that he was an auditor and adjuster of the company, and took an invoice of the stock. The local agent and the alleged adjuster stated that no further action was required on the part of Brooks in his notice of claim. The company denied authority of Sullivan as an auditor or adjuster, asserting that he had no power to allow a waiver of the provision of the policy requiring notice to the company.

Holdup Claim Is Paid

A claim of \$19,000 has been paid to the Home Trust Company of Kansas City by the Union Indemnity, covering the loss suffered by this bank in a spectacular holdup which took place on June 14 when the Republican convention was at its height.

The holdup, which occurred in broad

daylight in the heart of the shopping district, was one of the most daring robberies ever executed. A bandit gang numbering nine or ten men engineered the coup and were dispersed only by the explosion of tear bombs thrown by an official of the bank. The bandits blazed their way out, shooting five persons who barred their way, killing one policeman and crippling another for life. Three of the band have since been apprehended.

American Surety Offers Rewards

Rewards totaling \$3,500 have been offered by the American Surety for information leading to the arrest and conviction of the bandits who committed two daring bank robberies in the vicinity of St. Louis during the past week.

For the detection of the men who robbed the West End Bank, University City, Mo., July 11 of \$24,607, a reward of \$1,000 is offered, while \$2,500 has been placed on the heads of the four bandits who stuck up a messenger for the First National Bank of East St. Louis, Ill., July 10. In the later robbery the bandits secured \$47,800.

The American Surety has paid out \$158,300 on bank robberies in the vicinity of St. Louis in the past few months. This sum was secured in five robberies, all on the outskirts of St. Louis.

ACCIDENT AND HEALTH

MUST DISCONTINUE CONTRACT

Lumbermen's Mutual Casualty Group Contract Insuring Lansing Automobile Association Membership Held Illegal

LANSING, MICH., July 18.—Discovery that the Lumbermen's Mutual Casualty of Chicago had been insuring the Lansing Automobile Association membership against accident on a group basis resulted in a peremptory order from the Michigan department to discontinue the contract immediately. Such coverage, under which a master policy was issued to the club, with certificates only supplied the individual members, directly violates the state's standard provisions law, according to department officials, and in other respects fail to conform to legal requirements and departmental rulings.

Initial correspondence of department officials with officers of the Chicago mutual brought efforts on the part of the latter to reconcile the existing contract with the law, it being claimed that the arrangement must have been given departmental approval at the time of its inception. Department officials, however, denied that the plan or the policy forms to be used were ever submitted for departmental inspection and they were adamant against permitting the arrangement to continue. The contract, they held, was illegal on its face and therefore void so far as tolerance on the part of the department would be of no avail should the validity of the plan be brought to question in the courts. The contract provided for \$1,000 ac-

cidental death coverage for each member of the club and also allowed a \$10 per week disability benefit and other commensurate allowances for various injuries.

Will Increase Its Capital

The Title Guarantee & Casualty of Detroit, which has \$76,000 capital, writing health and accident insurance on the industrial plan, is increasing its capital to \$250,000. When the capital is all paid in, it will write commercial accident and health and group disability. Thomas G. Baillie, an attorney at Detroit and former assistant attorney-general, is president. Albert O. Isaac, the assistant secretary, is the underwriter. He was formerly with the old United States Health & Accident and when it was taken over by the Massachusetts Bonding he went with that company. More recently he has been connected with the National Casualty.

Form New California Company

The Sterling Life, Accident & Health, formed for the purpose of engaging in general insurance business, is the latest new life company to be launched in Los Angeles. The company, which has been granted a permit to dispose of 7,500 shares of \$20 par value capital stock by the state corporation commission, is being organized by B. E. Green and Ben T. Campbell, heads of the Green-Campbell agency of Los Angeles. Stock will be sold at \$30 a share, and the authorized capital stock is 50,000 shares. Officers include Bertram E. Green, president; Benjamin T. Campbell, secretary; Liles H. Lightfoot, M. H. Topping, W. W. Welborne, Homer L. Welborne and Roy

A. Dalton. Mr. Lightfoot is agency manager of the southern California agency of the Pan-American Life. The California department has approved the name of the new company and it is understood that articles of incorporation will shortly be filed.

Warning on Unlicensed Companies

TORONTO, July 18.—On account of additional inquiries reaching the department of insurance at Ottawa, regarding the standing of American insurance companies soliciting accident and health insurance in Ontario through the mails, the superintendent of insurance for the province has issued a warning to both the public and agents of Ontario, stating that all insurance organizations authorized to transact business are required by law to be licensed, but there seems to be no control over the solicitation of insurance by mail by unlicensed insurance organizations. The problem of soliciting insurance through the mail is also a grave one through the United States as well as Canada. Apparently the individual states are as powerless to act as the individual provinces of Canada.

Gets Out Monthly Bulletin

The accident and health department of the Commercial Casualty has begun publication of a monthly bulletin for this department of the company's work. The new bulletin is called the "Commercial Fieldman." The first issue of 16 pages is a well printed, interesting company house organ containing personal news of Commercial producers as well as selling information of value. F. M. Benjamin, manager of the accident and health department of the Commercial, is an aggressive builder and the "Commercial Fieldman" is the latest of the methods which he is bringing to his aid.

Examination Is Made

A convention examination of the Washington - Fidelity - National of Chicago will be made by the Illinois, Iowa, South Dakota and Missouri departments, starting this week.

Accident Notes

The Fraternal Protective of Boston has been licensed in Ohio.

The Confederation Life of Toronto has been licensed in Canada to write accident and sickness, in addition to life insurance, for which it is already licensed.

AMONG SURETY MEN

ADVERTISING AGENCY WINS

American Credit Indemnity Ordered to Pay Credit Insurance Policyholder Total of \$27,665

Award of a \$27,665 judgment in a suit by Eastman, Scott & Co., of Atlanta, Ga., against the American Credit Indemnity of St. Louis has been made in the United States District Court. The judgment included principal of \$19,665, back interest of about \$3,000 and attorneys' fees of \$5,000. Eastman, Scott & Co., a large advertising agency, insured

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Desirable Open Territory in
OHIO, INDIANA, W. VIRGINIA, PENNSYLVANIA and KENTUCKY
Write Agency Department

THE AMERICAN LIABILITY CO.

CINCINNATI

its accounts with the American Credit Indemnity against losses through non-payment by clients. When the insurance contract was written the carrier's Atlanta agent suggested payment of the premium on the quarterly basis for a year, and accepted a check for one-fourth of the premium and a 90-day note for the balance. At the close of the first quarter the indemnity company agent returned the original note to Eastman, Scott & Company on receipt of a check for another quarter of the original premium and a reduced note for the balance due. The second premium check and the note were forwarded to the American Credit Indemnity home office, where it was refused as payment for the first note. Between the time the agent took the money in payment and the time on which it was refused as payment at the home office, the advertising agency suffered a loss on one of its large accounts. It made a claim against the insurer, and the claim was rejected. On trial the case boiled down to a matter of the power and the liability of an agent in transacting business for the principal and to the question of what constitutes payment of a note.

NEW BOND FORM SUGGESTED

Small Group of Surety Men Considers Writing Cover Protecting Public Against Brokerage Failures

A small group of surety men is considering promulgation of a new surety form, tentatively titled the brokers depository guarantee bond, which would protect those who deposit money or securities with brokers against losses through failure of brokerage houses. Such a bond is not now available to the investing public, but it is the belief of those interested in the bond that since so large a group in the population currently invests money, dealing principally through brokerage houses, that the proposed bond form will find a large market. Liberty Bonds educated the public to investing in securities, but it is well known that many investors consider every broker as safe as the government. Surety men know how far wrong the investors are.

Would Add to Financial Stability

As an argument for the new bond, however, it is pointed out that large numbers of the banks against which the surety companies have protected the public are not as safe as are the better brokerage houses. Therefore risks that at first appear speculative in the extreme are in comparison seen to be not so speculative as are many banks.

It is the belief of interested surety men that the proposed form may be conservatively written and would be a good coverage for the sureties, the investors and the broker. It would add to the financial stability of the country by improving the investment intelligence of the public and by propagating among brokers the idea that quality

and financial soundness will win large rewards from investors.

CAN'T ASK EXTRA PREMIUM

Surety Not Liable on Work Done Outside Terms of Contract, Minnesota Supreme Court Holds

ST. PAUL, July 18.—The National Surety cannot collect an additional premium covering a contractor's bond because he did more work under it than the precise wording of the bond covered. This is the ruling of the state supreme court in a case which the surety company brought against Herman Erler, a bridge builder, in Hennepin county court.

Defendant had a contract with the state highway department for the erection of two bridges on a designated highway project. Under a "work order," purporting to direct that the work be done under the original contract, defendant erected two additional bridges on the same project. They had not been contemplated by the original contract.

The court held that: "Notwithstanding its terms, the new agreement evidenced by the work order was not a change or modification of the original contract but one for an entirely new and independent undertaking. Therefore, plaintiff, as surety upon defendant's original contract bond, cannot require additional premium thereon because of the erection of the two additional bridges. The test is whether plaintiff would have been liable under its bond for any claim arising in connection with the additional work. There would have been no such liability."

Sustains Large Loss

MILWAUKEE, WIS., July 18.—The Northwestern Casualty & Surety has sustained one of the largest losses on a bank in the history of the surety business here as a result of the National Bank of Commerce here being embezzled

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out of about \$150,000 by one of its tellers, Erwin F. Voelz.

The Northwestern Casualty & Surety covered the bank under a blanket form and will have a complete loss on the bond. The bank was not fully protected by insurance, however.

Constitution Writes Large Bond

The Constitution Indemnity has written a \$1,300,000 contract bond on the Foshay Tower at Minneapolis. The structure will be a 32-story office building. The National Contracting Company

will erect it. The bond was written through the Minneapolis general agency of the Constitution Indemnity.

Clause Is Broadened

NEW YORK, July 19.—Approval of Standard Form No. 8 revised, as adopted June 11, was given by the Surety Association of America at its meeting on July 11, and the contract may be written on and after July 25. Its main features are a broadening of Clause D, relating to the forgery hazard and making certain other provisions more definite.

Harrison, assistant Texas branch manager of the Southern Surety; F. C. Down, manager of the casualty and surety department of Trezevant & Cochran, Dallas agency; G. W. Baillio, vice-president of the Automobile Underwriters.

PAY-R CORPORATION METHODS AND PLANS

(CONTINUED FROM PAGE 37)

the debits regularly. Under no circumstances is free insurance granted to anyone for even a day and no policy is issued unless money payment is in the office. No orders are taken over the telephone. The service feature is emphasized and the company is called on to give much, as it deals with a group of people who call for help in connection with many automobile problems. The company encourages its clients to call for such service and information.

The experience of the last two years, which have been largely an experimental period, has convinced Mr. Bevis and C. F. Freytag, secretary-treasurer and general manager, who has worked with Mr. Bevis from the beginning, that there are certain definite principles applying to the business. They outline these as follows:

Small-Town Operation Unsuccessful

The plan cannot be operated successfully in a small town or in any city of less than 200,000 population. This is accounted for on two grounds, first that the working people in towns of less than 200,000 population know some insurance agent, and secondly that the working people in towns of 200,000 population and more are familiar with industrial insurance.

In cities of 200,000 population and more, selling automobile liability insurance on the weekly payment plan does not offer competition to any other agents in the community. Those who buy on the industrial plan have not been carrying such insurance and few of them have been solicited. The Pay-R Corporation is creating new business.

No real success can come to the plan unless it is operated on a large scale. An office confined to one city would not produce success. The business depends on development of superintendents and assistant superintendents, and these cannot be developed rapidly enough in any single city. It is possible to get all the solicitors needed anywhere, but the managers and assistant superintendents cannot be picked up. They must be trained.

Much Detail Involved

The plan is successful only if handled on the bulk basis in an office. The Pay-R Corporation has had outside accountants in its office for a total of more than six months helping to work out the detailed office system for handling the business.

No single office can establish itself as a successful unit unless at least the following skeleton office is maintained: A manager with three assistant superintendents, each assistant superintendent having supervision over five solicitors for outside work and three men, cashier, auditor and stenographer, for handling the office with an added fourth man, the claim manager, who must give full time to the work.

Cancels Quickly for Non-Payment

The installment payment plan cannot be operated successfully along with the local agency business, or certainly the same office cannot use the two plans for the same clients. An installment business can be handled successfully only on what might be termed a strictly careful cancellation of policies on the very day, following days of grace, when payment is due, and an agent finds that he is afraid to cancel an installment policy for fear of losing bigger business held from the same client. The consequence is that mixing the two results in gaining a profit from neither. The experi-

ment has been tried freely in Massachusetts and has been generally abandoned.

Great care has been used by the Pay-R Corporation in keeping records of experience on collections, losses, selling costs and office maintenance. The experimental period has passed and a national authority in the field of industrial insurance who has examined the methods devised by the Pay-R Corporation has placed his stamp of approval on them. The name "Pay-R" was developed from the phrase "Pay As You Ride."

Many Converts Made

The selling of automobile liability insurance on the weekly industrial plan will bring thousands of new customers to the business and put many people who otherwise would not come into contact with quality casualty insurance into direct connection with real protection.

The officers of the Pay-R Corporation are St. Clair Bevis, president; C. R. Hebble, vice-president; C. F. Freytag, secretary-treasurer and general manager. Member of the board of directors include L. C. Percival, manager of the Island Creek Coal Company; Thomas Stevenson, sales manager of the Middle West Coal Company, and E. H. Strubbe, general manager of the Cincinnati Wholesale Grocery Company.

To Fight Ambulance Chasers

ST. LOUIS, July 18.—The Automobile Club of Missouri, which operates an inter-insurance exchange, has declared war on ambulance chasing lawyers who specialize in building up damage suits against automobile owners. Matt F. Morse, secretary and general manager of the Missouri club, said that other clubs affiliated with the American Automobile Association will also take an active stand against the ambulance chasers.

In recent months automobile owners affiliated with the Missouri club have reported an ambulance chaser waiting at the hospital for victims of automobile accidents to arrive. It is understood that a number of automobile owners carrying liability insurance with the exchange of the automobile club have run afoul of the ambulance chasers and are now threatened with suits for heavy damages.

The American Automobile Association plans to demand more rigorous ordinances, stricter police supervision and the exposure of bureaus and companies that participate in questionable accident claim collection.

Taxicab Mutual Badly Managed

BOSTON, July 18.—Donald E. Mayberry, receiver for the Independent Taxicab Owners' Mutual, has filed a report with the Massachusetts Supreme Court in which it is revealed that the company was badly mismanaged. Among the items discovered is one to the effect that the officers of the organization quarreled among themselves, that the hubometers, which were attached to the wheels of the cabs to compute the premium at the rate of 1½ cents a mile were not read, and that a very extensive staff of officers and clerks was maintained. After March, 1927, the company had difficulty obtaining readings of its members' hub meters. The company bought these instruments and paid for them and reserved title to them. It is reported that most of the meters were lost, destroyed or unaccounted for. Later the meter readings were completely abandoned and the company endeavored to put its members on a flat rate premium basis of \$25 to \$35 a month, depending on the number of hours the taxi operated per day. Late in 1927 the company began to feel the effect of premium losses occasioned by its members obtaining insurance elsewhere, and the company's end followed quickly.

Opens Home City Branch

The Pennsylvania Surety of Pittsburgh announces the appointment of Hervey B. Marsh as manager of its western Pennsylvania branch to be opened at 425 Fourth avenue, Pittsburgh. Mr. Marsh resigns as Pittsburgh manager of the General Accident, with which he has been associated for the past 18 years.

PERSONAL GLIMPSES OF CASUALTY MEN

Robert Leigh, 46 years old, of Evansville, Ind., safety engineer for the United States Fidelity & Guaranty, died recently following an emergency operation for appendicitis.

Timothy E. Dunne, surety manager of the Union Indemnity in Chicago, has been appointed cruise chairman of the Labor Day lake cruise to be given by the Archbishop McHale council of the Knights of Columbus. The trip will be made on the oil burning lake liner "South American." It will leave Chicago Sept. 1 for the 1,000-mile run through the Straits of Mackinac and back to Chicago. The steamer will berth back in Chicago Sept. 3.

Miss Violet Thompson, chief underwriter of the Kansas City branch office of the Aetna Life and affiliated companies, has returned from Denver, but is confined to her home as a result of a broken ankle.

Joyce & Co. and the National Surety held open house in their new Chicago office in the Bankers building on Monday, with Charles H. Burras as host-in-chief. Joyce & Co., general agents of the National Surety and New York Indemnity, have been located in the Rookery for more than 30 years. The various department offices of the National Surety have been located in other sections. Under the new arrangement all hands are brought together including the forgery bond department, O. J. Perkins, manager; credit department, Douglas Foote, general agent; fraud bond department, R. L. McNamara, manager; legal department, George M.



CHARLES H. BURRAS, Chicago
Reaches Conservative Period—Age 55

Weichelt, general attorney. The offices were decorated with bouquets of flowers sent in by various firms. Mr. Burras, in addition to being the head of the housewarming party, was celebrating his 55th birthday anniversary. The office employees gave Mr. Burras a mammoth bouquet of 55 American beauty roses. In addition to all this Mr. Burras was burning incense in honor of the birth of a new grandchild. The whole office was in holiday attire and received visitors with sincere cordiality.

OCEAN ACCIDENT OPENS BRANCH IN KANSAS CITY

KANSAS CITY, MO., July 18.—The Ocean Accident will open a branch office here Aug. 1. Davis B. Griswold, formerly branch manager for the Ocean in Des Moines, will be in charge of the new office at 1204 Federal Reserve Bank building. R. B. Jones & Sons had represented the Ocean in this city for 23 years until they resigned it July 1.

OPPORTUNITIES

Manager in charge of Casualty Company Branch Office desires change. Can produce immediate results in profitable business. Michigan or Ohio territory. Address G-14, care The National Underwriter.

THREE PRIZES OFFERED BY AUTOMOBILE UNDERWRITERS

Three gold prizes are offered by the Automobile Underwriters of Dallas, Tex., for the best papers on "How to Increase Automobile Liability and Property Damage Premiums." The rules of the contest are as follow:

Any local, regional or general agent or any of their employees in any city in Texas, Louisiana, Arkansas, Oklahoma, Illinois, Tennessee, Pennsylvania and Missouri are eligible. Papers must not be more than 250 words long. Only one paper will be accepted from an agency, regardless of the number of members in the firm. Each paper written by an employee of any agency must be signed by a member of the firm. All papers are to become the permanent property of the Automobile Underwriters. No salaried employee of the Automobile Underwriters is eligible for a prize. All papers must be mailed to the home office of the Automobile Underwriters at Dallas not later than midnight Aug. 31, 1928.

Judges in the contest are Ben T.

**Re-Insurance
Excess Re-Insurance
Catastrophe Hazard**

DEE A. STOKER
RE-INSURANCE UNDERWRITER
111 W. Jackson Blvd. CHICAGO

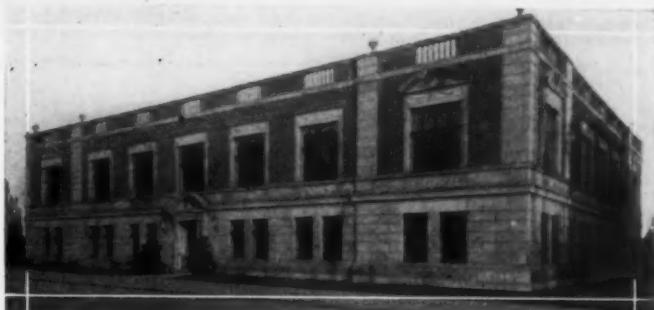
All Lines but Stressing Excess Fire Reinsurance General Classifications

Assets

\$2,306,694.43

Surplus to Policyholders

\$567,214.58



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With exceptional satisfaction and success, we are devoting our entire underwriting capacity to the service of casualty carriers requiring Reinsurance outlet.

Many accounts which we opened with Reinsureds in the first years of our operations, "before the war", still persist, steadily increasing in volume and in mutual value. Cancellations have been rare events. This we take as proof of satisfaction.

Inquiries and consultation are cordially solicited. Either of our offices will render "return-mail" service.

EMPLOYERS INDEMNITY CORPORATION

E. G. TRIMBLE, *President*

HOWARD FLAGG, *Vice Pres.*

HOME OFFICE — KANSAS CITY

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166 W. Jackson

NEW YORK
85 John St.